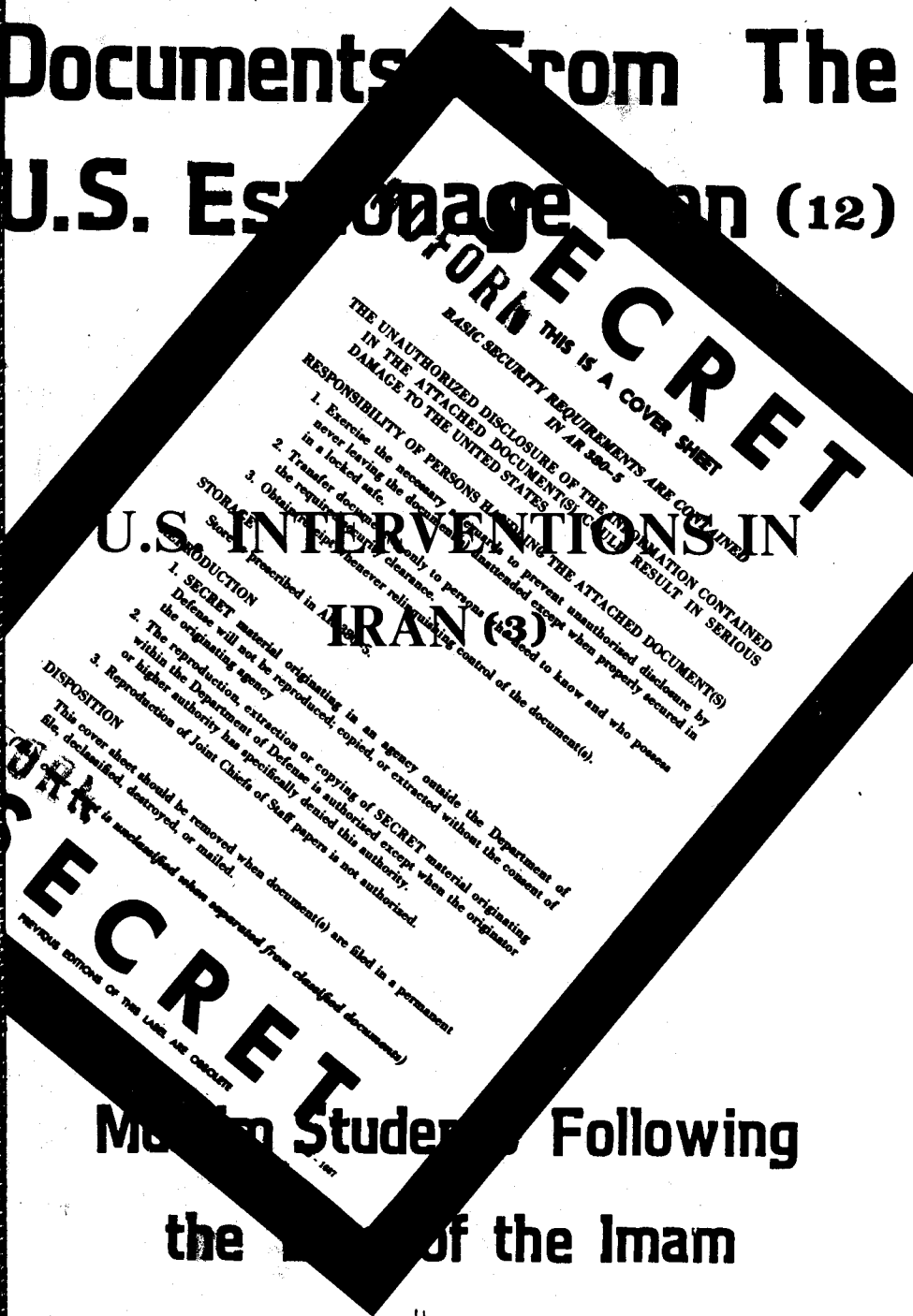
Documents From The U.S. Espionage Den (12)



U.S. INTERVENTIONS IN IRAN (3)

Muslim Students Following the Line of the Imam

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CONFIDENTIAL

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COUNTRY TEAM MINUTES

AUGUST 9, 1978

The Charge opened the meeting by welcoming Harry Burton, the new FAA chief. He then briefly discussed the upcoming Camp David summit, noting that our efforts to have a high-level official come to Iran to brief the Shah on this latest stage in the Middle East peace process have so far been unsuccessful.

The Charge asked all Counselors and section chiefs to prepare "While You Were Away" memos for the Ambassador's return later this month. The memos should be turned in to Mr. Boyce by August 22-23.

General Huyser, Deputy Commander-in-Chief of European forces and Vice Admiral Foley, Commander of the Seventh Fleet, will be visiting Iran in the near future.

Mr. Zischke introduced Richard Aker, a new junior officer trainee for ICA. He then discussed recent incidents in Shiraz concerning the Iran-America Society there. Mr. Bannerman reported on the most recent incident, which occurred last night when a crowd of 200, marching directly on the IAS, was dispersed by police. This would be the first time that IAS was specifically singled out, as opposed to being merely one stop enroute to many others.

General Gast introduced General George Kertesz, who is General Secord's replacement and who will be acting as Chief of Armish-MAAG in Genral Gast's absence.

General Gast reported the latest news on the F-4s and the Wild Weasel. The Iranians now say they are not interested in the F-4s (sans Group A wiring) because, to meet attrition needs, they prefer the higher-technology F-16s. The same view applies to the Shrikes.

On the frigates, the GOI has decided that it wants the NTDS, which provoked some discussion among the Country Team members as to how the Dutch and Germans will feel about this. It was concluded that the Germans will be somewhat happier with the news.

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General Rabii told General Gast that the Iranians are not going to pursue the ATLIS II Laser Designator System until the USG decides whether or not it will use it.

General Gast said he had left a paper on the Roving Helicopters on Mr. Martin's desk. The Charge briefed the Country Team on the revived criticism of our military sales program to Iran stemming out of the incident.

Dr. Stempel reviewed various social notes from around town as well as the latest political news. He reviewed the basic issues in the problems with the religious leaders, advising also that this appears to be the silly season for the rumor-mongering set. He reported a number of approaches by various high level Iranians who asked him what the Americans were planning to do to help Iran fight communism. He advised the Country Team to be on the lookout for similar odd probes, queries and interrogations.

Dr. Stempel continued his report by noting that the Khomeini faction of the religious group are starting to play fairly rough, especially concerning minorities.

Mr. Neeley reported that Iran will probably import more feedgrains this year than last.

Dr. Adler said he has a copy of the Farsi text of the nuclear bilateral accord and will send it to the Department with a Washington-bound traveler. Mansur told Dr. Adler that he sees August 20 as a likely signing date.

Mr. Taylor has finished collating his confidential bank survey. The banks greatly exceeded their expectations regarding loans to Iran, with exposure rising 64% in the last year.

S/A:RLBoyce 8/10/78

DISTRIBUTION:

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OR	S/A		

CONFIDENTIAL

Tehran, August 15, 1978

His Excellency
Amir Abbas Hoveyda
Minister of the Imperial Court
Tehran

Excellency:

I have received a letter for His Imperial Majesty The Shahanshah from President Carter concerning the forthcoming meeting at Camp David on the Middle East peace process. I would very much appreciate your having this letter passed to His Imperial Majesty, who is aware that he is to receive a message from the President.

With high esteem and warm personal regards,

Sincerely,

Charles W. Naas
Charge d'Affaires ad interim

CHARGE:CWNaas/sw

His Imperial Majesty
Mohammad Reza Pahlavi Aryamehr
Shahanshah of Iran

Your Imperial Majesty:

I have appreciated the conversations and correspondence we have had in the past on matters of high concern to our two countries. I know how seriously you regard the need for real progress towards a lasting settlement of the Arab-Israel conflict and I wish to share with you some thoughts on the forthcoming Middle East meeting at Camp David.

We are gratified that Prime Minister Begin and President Sadat have both responded positively to the invitation to meet with me next month in a major new effort to establish a framework for a Middle East peace settlement. We have purposely not set a fixed duration for the talks, scheduled to begin on September 6, so as to be able to allow as much time as is needed for our efforts to succeed. This is an encouraging indication of the seriousness with which all parties are approaching this meeting.

I extended this invitation because I believe we have reached a crucial point in the search for peace in the Middle East. Nine months have passed since President Sadat and Prime Minister Begin opened significant new possibilities for negotiating with the historic meetings in Jerusalem and in Ismailia. The sides have made progress toward resolving some of the issues that divide them at

this time, but recently, as you are aware, an impasse was threatened. I am convinced that we cannot afford an impasse, since the positions would then harden and the atmosphere deteriorate to the point where the present opportunity for peace could well become another of the lost opportunities that have marked the history of this tragic conflict.

The objective at the Camp David meeting will remain as it has been defined by the two sides themselves in negotiations this year: To make progress toward agreement on a framework, based on Security Council Resolution 242, that would allow steady progress toward agreement on specific issues, within the context of the agreed goal of a stable, just, and comprehensive peace. Such an agreed framework might help to bring other parties to the conflict into the peace negotiations.

Our experience in attempting to facilitate and promote negotiations this past year has demonstrated that it is impossible to carry negotiations beyond a certain point on the crucial issues unless the Heads of Government themselves can be engaged in a direct exchange. This was one of the considerations that led me to the decision to extend invitations to the two leaders to meet with me at Camp David. Our objective will be to achieve agreements at the political level which can provide guidance for the negotiators on the key issues. I plan to do everything within my power to help President Sadat and Prime Minister Begin achieve the progress for which we are all searching.

As we move into this crucial new phase of Middle East negotiations I wanted to share with you my reasons for taking this step and thoughts about what we hope to accomplish. I know you will agree with my sense of the importance of these talks, which hold the prospect of a major step forward, despite the real difficulties. I hope that I can count on you for understanding and full support in the task on which we are embarking.

You have met recently with some of the participants and key observers of the negotiations and I would value your impressions. Iran's support for the peace process has been extremely valuable and we look forward to continuing cooperation in the interest of world peace.

With my best wishes,

Sincerely,

Jimmy Carter

COUNTRY TEAM MINUTES

August 16, 1978

The Charge opened the meeting by saying that the Embassy would be issuing a precautionary bulletin concerning the security situation. The period of "deep mourning," i.e., August 24-27 and August 31, is to be considered a good time to be quiet and fairly circumspect in one's movements about town. Section chiefs will inform their employees.

The Charge said that the Marine Guards have had trouble recently in locating the duty officer. He stressed the serious responsibility borne by the duty officer to let the Marines know his whereabouts at all times.

The Charge reported on his recent audience with the Shah. The occasion was General Huyser's visit. The Shah strongly reaffirmed that the liberalization process will continue. However, he is also determined that recent "senseless vandalism" should end.

Dr. Stempel reported on "a couple of odd items." After six or seven nights of steady violence in south Tehran, the tenor of the demonstrators'rhetoric is swinging toward Isfahan-style anti-Westernism. In a related note, the political section will be covering the upcoming military trials here in Tehran.

Mr. Taylor commented on the divergence in the local press' coverage of the passage of the foreign aid bill. Depending on which paper you read, it represents either a slap at, or a victory for, President Carter.

Mr. Taylor continued his analysis by disclosing the Central Bank's balance of payments forecast, which sees a 17% increase in payments for imports.

During a brief discussion of the status of the nuclear bilateral accord, the Charge asked Mr. Carleton to report on yesterday's editorial on the Australian deal.

Mr. Snow reviewed plans for construction of a new IAS academic building. He hopes to sign the contract and begin construction within three weeks.

S/A:RLBoyce
8/20/78

DISTRIBUTION:

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DCM	CONS	INR/RNA		SHIRAZ
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ECON	DAO			
POL/MIL	ICA			
OR	S/A			

DEPARTMENT OF STATE

TELEGRAM

1978 AUG 17 AM 11: 36

File [redacted]

INDICATE ☐ COLLECT ☐ CHARGE TO POL 1-1

07882 US-Iran relations

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	SECRET/NOFORN

ACTION: SECSTATE WASHDC IMMEDIATE

INFO: AMEMBASSY BAGHDAD
AMEMBASSY ISLAMABAD
AMEMBASSY KABUL
USCINCEUR

SECRET TEHRAN 07882

NOFORM

E.O. 11652: XGDS-1

TAGS: PGOV, PFOR, IR

SUBJ: IRAN: WHERE ARE WE NOW AND WHERE ARE WE GOING?

REF: A) TEHRAN 7659 (NOTAL) B) TEHRAN 7456 (NOTAL)
C) TEHRAN 7700 (NOTAL) D) TEHRAN A-80 (NOTAL)
E) TEHRAN 7702 (NOTAL)

SUMMARY: THE SHAH'S CONSTITUTION DAY SPEECH AND THE IMPOSITION OF MARTIAL LAW IN ISFAHAN INDICATE THAT HE IS COMMITTED TO THE LIBERALIZATION PROCESS BUT THAT THE GOI WILL DEAL MORE FIRMLY WITH THOSE WHO STIMULATE VIOLENCE. MAJOR QUESTION IS WHAT IMPACT RELIGIOUSLY INSPIRED AGITATION WILL HAVE ON IRANIAN POLITICAL SYSTEM AND WHAT GOVERNMENT'S REACTION WILL BE. POLITICAL VIOLENCE HAS BEEN TRADITION IN IRAN. SHAH IS ON A TIGHT ROPE -- TRYING TO MINIMIZE VIOLENCE WHILE CHANNELING POLITICAL CONFLICT INTO

[redacted]:CWNaas/POL:JDStempel	DRAFTING DATE 8/17/78	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY: CHARGE:CWNaa

OPTIONAL FORM 152(H)
(Formerly FS-413(H))
January 1975
Dept. of State

ELECTORAL REALM. SUCCESS IS TO A CONSIDERABLE EXTENT DEPENDENT ON CONTINUED EXERCISE OF RESTRAINT BY ARMY AND SECURITY FORCES. WE BELIEVE HE MUST MANEUVER CAREFULLY, PERHAPS INCLUDING SOME STEPS TO MEET OPPOSITION DEMANDS, IF VIOLENCE IS TO BE REDUCED. GIVEN THE NATURE OF THE OPPOSITION, HOWEVER, THE SHAH MAY ULTIMATELY HAVE TO RESORT TO FORCE. THE PRIMARY HOPE OF AVOIDING THIS OPTION IS TO RESHAPE MODERATE OPPOSITION ATTITUDES AND IMPROVE GOVERNMENT SENSITIVITY IN THE PROCESS OF FURTHER POLITICAL ACTIVITY. END SUMMARY

1. WITH THE IMPOSITION OF MARTIAL LAW IN ISFAHAN AND THE STATIONING OF MORE MILITARY UNITS ELSEWHERE FOLLOWING CLOSELY ON THE HEELS OF THE SHAH'S CONSTITUTION DAY SPEECH (REFS A AND B) which REAFFIRMED HIS COMMITMENT TO POLITICAL LIBERALIZATION, IT SEEMS A GOOD TIME TO REVIEW WHERE WE ARE AND TAKE A TENTATIVE AND SPECULATIVE LOOK AHEAD. THIS IS A PERIOD OF CONSIDERABLE POLITICAL TURMOIL IN IRAN FROM WHICH MANY OUTCOMES ARE THEORETICALLY POSSIBLE. MANY OF THE GIVENS OF THE PAST ARE BEING CALLED INTO QUESTION, NOT ONLY BY VOCAL OPPONENTS OF THE REGIME BUT BY THE SHAH HIMSELF.

2. IT IS CLEAR TO US AND THE OVERWHELMING MAJORITY OF DIPLOMATIC OBSERVERS HERE THAT THE SHAH IS SINCERE IN HIS DESIRE TO LEAD IRAN TOWARD LIBERALIZED POLITICAL INSTITUTIONS (REF C). THERE IS SOME QUESTION IN HIS

OWN MIND AS TO EXACTLY WHAT HE WANTS AND HOW HE IS TO ACHIEVE HIS BROAD OBJECTIVE, AND THERE REMAINS DEEP SUSPICION OF HIS INTENTIONS AMONG THOSE WHO HAVE LONG OPPOSED HIM. AFTER ALL, HE HAS NOT EVER WILLINGLY PLAYED THE DEMOCRATIC GAME BEFORE: WHY NOW? THE ANSWER, WE BELIEVE, IS IN HIS REAL BELIEF THAT HIS SON CANNOT SUCCESSFULLY SUCCEED HIM UNLESS IRAN'S POLITICAL TRANSITION TO MORE DEMOCRATIC INSTITUTIONS IS MANAGED BEFORE THE CROWN PRINCE TAKES THE THRONE. THE SHAH, MORE THAN ANY OTHER MODERNIZING MONARCH, IS CONCERNED WITH THE PROBLEM OF SUCCESSION. HE HAS STRESSED THE NEED TO PREPARE THE GROUND FOR HIS SON TO THE AMBASSADOR, TO ME, AND MOST FOREIGNERS HE RECEIVES. HE REMEMBERS HIS OWN DIFFICULT FIRST YEARS AND HAS GRADUALLY COME TO THE CONCLUSION THAT ROOM MUST BE MADE FOR IRAN'S EXPANDING MIDDLE CLASS IN THE POLITICAL PROCESS. THIS DOES NOT MEAN, HOWEVER, THAT HE IS PREPARED TO TURN THE COUNTRY OVER TO MEN HE REGARDS AS UNPATRIOTIC, OBSCURANTIST AND IRRECONCILABLY HOSTILE TO THE MONARCHY. THE CONTINUATION OF THE MONARCHY FOR THE SHAH IS MORE THAN SIMPLY AN ARROGANCE -- HE WANTS THE PAHLAVI DYNASTY TO SURVIVE AND CONTINUE HIS POLICIES. HE DEEPLY BELIEVES THAT IRANIAN HISTORY PROVES THE NEED FOR A MONARCH TO GIVE THE LEAD TO HIS DISPARATE AND HETEROGENEOUS SOCIETY. HE IS, HOWEVER, PREPARED TO BEGIN A POLITICAL PROCESS DESPITE MISGIVING ABOUT SOME

OF THE PLAYERS.

3. HOWEVER, MANY SO-CALLED LIBERAL OPPOSITION LEADERS AT HEART BELIEVE HE SHOULD REMOVE HIMSELF FORTHWITH FROM THE GOVERNING PROCESS. MANY OF OUR CONTACTS WHO ADMIRE AND SUPPORT THE SHAH BELIEVE AS WELL THAT HIS INVOLVEMENT IN MOST DECISIONS SETS HIM UP AS THE TARGET FOR CRITICISM WHEN THE POLICIES IN PRACTICE DO NOT WORK WELL AND THAT HE SHOULD MOVE TOWARD REIGNING AND NOT RULING. A SUBSTANTIAL,IF NOT OVERWHELMING, MAJORITY OF IRANIANS HOWEVER AGREE WITH THE SHAH THAT THE MONARCHY REMAINS NECESSARY FOR THE COUNTRY BUT THEY WISH TO SEE ITS OPERATIONS ADJUSTED.

4. THOSE FAMILIAR WITH THE MOSSADEQ PERIOD (1949-53) SEE NO EVIDENCE THAT MANY OF THE OPPOSITION LEADERS HAVE CHANGED THEIR OWN AUTHORITIARIAN COLORATION DESPITE THEIR RHETORIC TODAY ABOUT CONSTITUTIONAL PRINCIPLES. RELIGIOUS OPPOSITION RETAINS THE VIOLENT ELEMENT THAT HAS MARKED SHIITE ATTITUDES TOWARD GOVERNMENT SINCE THE EIGHTH CENTURY. THERE ARE, OF COURSE, ALL STRAINS OF RELIGIOUS LEADERSHIP, FROM THOSE FAVORING MODIFIED CONSTITUTIONAL RULE TO THOSE SEEKING A RETURN TO THE DAYS OF SHAH ABBAS. THERE IS ALSO AN ESSENTIALLY ANARCHIC MASS RESPONSIVE TO THE LOUDEST VOICE. THOSE RELIGIOUS ELEMENTS PRESENTLY DOMINATING THE IRANIAN SCENE, BOTH ORGANIZATIONALLY AND IDEOLOGICALLY, ARE COMMITTED TO VIOLENCE AND OBSTRUCTION

AS TOOLS FOR ATTAINING POWER. AYATOLLAH KHOMEINI HAS SPECIFICALLY CALLED FOR THE SHAH'S VIOLENT REMOVAL AND SOME OF HIS FOLLOWERS IN ISFAHAN AND SHIRAZ HAVE OPENLY CALLED FOR THE DEATH OF THE SHAH. (THIS EXTREMISM WAS IN PART THE REASON THE POLICE CRACKED DOWN ON THE HUNGER-STRIKING MULLAHS -- TEHRAN 7618). MODERATES SUCH AS AYATOLLAH SHARIATMADARI DO NOT AT THIS TIME FEEL CAPABLE OF OPPOSING KHOMEINI OPENLY, THOUGH THEY REPORTEDLY STILL WORK FOR MODERATION WITHIN THE RELIGIOUS MOVEMENT AND WOULD DOUBTLESSLY WELCOME A CHANCE TO PARTICIPATE IN AN ELECTORAL PROCESS WHICH MIGHT NOT LEAVE THEM WHOLLY SUBSERVIENT TO KHOMEINI, WHO REMAINS OUTSIDE THE COUNTRY. IN SHIA ISLAM THERE IS NO INSTITUTIONALIZED HIERARCHY: A RELIGIOUS LEADER

ATTAINS HIS PROMINENCE BY CONSENSUS WITHIN HIS PARISH. SOME OF THE VIOLENCE WE ARE WITNESSING HERE RESULTS FROM A FERVID COMPETITION FOR EMINENCE BY THE AYATOLLAHS; MODERATION APPARENTLY DOES NOT BEGET FOLLOWERS FROM THE WORKERS, SMALL SHOP KEEPERS AND ARTISANS AT THIS TIME. A TRADITION OF THRONE/OPPOSITION DIALOG DOES NOT EXIST IN IRAN, AND NEITHER TEMPERMENT NOR TRADITION FAVOR WESTERN CONCEPTS OF POLITICAL CONCILIATION AND BROKERAGE.

5. WHATEVER THE SHAH WISHES TO DO NEXT, HE MUST MEET HEAD ON THE VIOLENT CHALLENGES TO BOTH HIS GOVERNMENT AND IRAN'S SOCIAL FABRIC. IMPOSITION OF MARTIAL LAW IS SEEN HERE AS A SIGNAL TO VIOLENT ELEMENTS THAT THIS TYPE OF ACTIVITY WILL NOT BE TOLERATED. FOR IRAN, IT IS A SURPRISINGLY RESTRAINED REACTION SO FAR. THE ARMY HAS BEEN ORDERED TO HOLD ITS FIRE AND RESTRAINTS AGAINST PREMATURE POLICE USE OF WEAPONS REMAIN IN EFFECT. IRONICALLY, THIS LAUDABLE RESTRAINT HAS ITS DISADVANTAGES: MANY IRANIANS OF THE MIDDLE AND WEALTHY CLASSES BELIEVE THE SHAH IS NOT ACTING FORCEFULLY ENOUGH, THAT HE IS WEAK AND INDECISIVE. SOME BELIEVE THE AMERICANS FORCED HIM TO BE RESTRAINED, SINCE THEY CANNOT CONCEIVE OF HIS WILLINGNESS TO DO SO IN HIS OWN INTEREST. THE IMMEDIATE DANGER IS THAT THE SHAH HIMSELF (OR ARMY UNITS GOADED BEYOND PATIENCE) WILL REACT INDISCRIMINATELY AND ATTEMPT TO SOLVE THE PROBLEM WITH BULLETS INSTEAD OF BALLOTS.

THE ARMED FORCES ARE NOT LIKELY TO DO SO UNLESS OPPOSITIONISTS MOVE FROM STONES TO FIREARMS.

6. MANY OBSERVERS HERE HOPE THAT THE END OF RAMAZAN WILL BRING SOME SURCEASE BUT WE ARE BECOMING INCREASINGLY DUBIOUS. THE RELIGIOUS LEADERS, EVEN THE MODERATES, ARE FEELING THEIR OATS AND ARE UNLIKELY, WE BELIEVE, TO EASE OFF THE PRESSURES UNTIL THEY RECEIVE AT LEAST SOME SATISFACTION. THE SHAH IS ON A CLEFT STICK AT THE MOMENT. HE COULD ALMOST CERTAINLY SUCCESSFULLY SUPPRESS the RELIGIOUS DISSIDENTS FOR THE TIME BEING BY MASS ARRESTS AND VERY CONSIDERABLE BLOOD LETTING. IT WOULD NOT BE EASY, HOWEVER BECAUSE UNLIKE 1963, DISSIDENT ACTIVITIES ARE WIDESPREAD IN THE COUNTRY AND VANDALISM IS USUALLY PERPETRATED BY A NUMBER OF GROUPS IN SEPARATE PARTS OF THE CITIES AND TOWNS. IF HE TAKES THIS PATH, HOWEVER, IT WOULD NEGATE HIS OBJECTIVE OF LIBERALIZATION AND BRING DOWN ON HIMSELF SIGNIFICANT FOREIGN CRITICISM TO WHICH HE IS SENSITIVE.

7. THE SHAH AND THOSE AROUND HIM, WE NOW BELIEVE, HAVE UNDERESTIMATED THE CHALLENGE. IRAN REMAINS BY AND LARGE A CONSERVATIVE ISLAMIC STATE AND, ONCE LIBERALIZATION OPENED THE POLITICAL SCENE, THE LOCAL RELIGIOUS LEADERS AGAIN BECAME CENTERS OF POLITICAL POWER--AS THEY WERE WHEN THE LID WAS PUT ON IN 1963. (OUR A-80 DEALT WITH SOME OF THE PSYCHOLOGICAL/ECONOMIC/SOCIAL FACTORS WHICH HAVE CONTRIBUTED TO THE FRUSTRATIONS HERE.) ALSO, SINCE THAT

TIME COMMUNICATIONS HAVE VASTLY IMPROVED IN THIS COUNTRY AND THE VARIOUS LEADERS CAN DAILY STAY IN TOUCH WITH EACH OTHER. NEITHER THE INTELLECTUALS AND BUREAUCRATS OF THE RASTAKHIZ PARTY, THE OLD NATIONAL FRONTERS, NOR THE LEADERS OF THE NEW GROUPS HAVE DEEP-ROOTED POLITICAL POWER OR INFLUENCE. IN THE PRESENT POLITICAL AND SOCIAL SCENE, THE GOVERNMENT CANNOT AVOID DEALING WITH THE RELIGIOUS ELEMENTS.

8. THE EARLIER EFFORTS TO ESTABLISH A DIALOGUE WITH THE MORE MODERATE LEADERS WERE NOT PURSUED WITH MUCH VIGOR AND THE OBJECTIVE OF SPLITTING THE RELIGIOUS LEADERSHIP HAS SIMPLY NOT WORKED SO FAR. PART OF THE REASON FOR THIS LATTER FAILURE HAS BEEN THE THREATS AND HARASSMENT OF THE MODERATES BY THE WELL-ORGANIZED KHOMEINI FANATICS; ALSO, AS NOTED EARLIER, NO AYATOLLAH WISHES TO LOSE HIS FOLLOWERS BY APPEARING SOFT. FURTHERMORE, THE AMOUZEGAR GOVERNMENT (AS OPPOSED TO THE SHAH AND THE COURT) HAS PROVED SURPRISINGLY INEPT AT DEALING WITH RELIGIOUS ELEMENTS ON ANYTHING OTHER THAN A TAKE IT OR LEAVE IT BASIS.

9. IF OUR GENERAL ASSESSMENT IS VALID, THE SHAH HAS TO FIND A WAY TO OPEN SERIOUS GIVE-AND-TAKE WITH THE SO-CALLED RELIGIOUS (AND SOME POLITICAL) MODERATES (THIS WILL BE HARD TO SWALLOW BECAUSE OF HIS UTTER DISDAIN FOR "THE PRIESTS"). WE SHOULD REALIZE AT THE OUTSET THAT THIS

MAY ULTIMATELY PROVE IMPOSSIBLE BECAUSE THEIR ULTIMATE DEMANDS (AS OPPOSED TO WHAT THEY MIGHT ACCEPT AS PART OF AN ON-GOING PROCESS) WOULD MEAN RELIGIOUS CONTROL OF THE GOVERNMENT AND REDUCTION OF THE SHAH TO A CONSTITUTIONAL MONARCH. THE SHAH WOULD NEVER ACCEPT THE FIRST AND WOULD SEE THE LATTER EMERGING ONLY IN THE CONTEXT OF RULE PASSING TO HIS SON. THE CURRENT "WANT LIST" OF THE RELIGIOUS LEADERSHIP IS UNCLEAR, BUT WE UNDERSTAND THAT A CHANGE OF PRIME MINISTER AND AT LEAST SOME CABINET MEMBERS TOPS THE LIST--THE GOVERNMENT HAS BEEN TOO TARRED WITH THE VIOLENCE OF THE PAST EIGHT MONTHS AND IS SEEN AS NOT AT ALL RESPONSIVE TO THE RELIGIOUS CONSTITUENCY. EVEN SOME ESTABLISHMENT FIGURES NOW TALK THIS WAY PRIVATELY. ACTION AGAINST INDIVIDUALS WHO ARE WIDELY PERCEIVED TO HAVE CORRUPTLY BENEFITTED FROM IRAN'S RECENT DEVELOPMENT IS NEXT. THIS IS A PARTICULARLY TOUGH ONE BECAUSE THE POPULACE HAS SEEN ANTI-CORRUPTION CAMPAIGNS COME AND GO AND A NEW EFFORT WILL HAVE NO CREDIBILITY UNLESS PERSONS VERY CLOSE TO THE SHAH ARE AT LEAST REPRESENTED IN ANY ROUNDUP. A NUMBER OF LESSER MATTERS ALSO REQUIRE ACTION: MORE HAJ SEATS AND BETTER ALLOCATION OF EXISTING CAPACITY BY IRANAIR, MORE RESTRAINED MOVIE ADVERTISING, ETC.

10. CONCESSIONS OF THIS NATURE MIGHT AT LEAST BRING THE MODERATES INTO THE POLITICAL PROCESS AND PERMIT THE GOI TO DIRECT ITS POLICE AND INTELLIGENCE EFFORTS AGAINST

EXTREMISTS WHO ARE UNDOUBTEDLY RECEIVING HELP FROM EX-TUDEH PARTY ELEMENTS, AND OTHER OUTSIDE FORCES. HOWEVER, GIVEN THE ORGANIZATIONAL FLUIDITY OF THE OPPOSITION, ITS PENCHANT FOR PRESSING FOR THE JUGULAR RATHER THAN COMPROMISING AND SIMPLY THE EVANESCENT NATURE OF PUBLIC OUTBREAKS OVER THE PAST FEW MONTHS, EVEN THIS MIGHT NOT BE ENOUGH. AT SOME POINT, THE SHAH MAY BE FORCED TO REPRESS AN OUTBREAK WITH THE IRON FIST AND NOT THE VELVET GLOVE IF IRAN IS TO RETAIN ANY ORDER AT ALL. WE HAVE NO DOUBT THAT HE WILL DO SO IF THAT BECOMES ESSENTIAL. HE IS NOT DEALING WITH DEMOCRATIC GROUP POLITICS AS WE IN THE WEST KNOW AND PLAY THEM, AND HE IS MINDFUL OF WHAT VACILLATION BROUGHT AYUB KHAN AND BHUTTO IN PAKISTAN.

11. FOR THE U.S. AS WELL THIS IS A DELICATE PERIOD. AS WE HAVE MENTIONED IN PREVIOUS REPORTING, VIRTUALLY ALL IRANIANS BELIEVE THAT FOREIGN HANDS ARE INVOLVED IN WHATEVER HAPPENS HERE. WHATEVER WE AS A GOVERNMENT OR AS OFFICIALS SAY WILL BE MISCONSTRUED BY SOMEBODY HERE EITHER AS SUPPORT FOR OR OPPOSITION TO THE SHAH. THIS PERCEPTION OF INFLUENCE IN FACT GIVES US SOME INFLUENCE. WE WILL HAVE FURTHER OBSERVATIONS ON OUR ROLE HERE OVER THE NEXT FEW WEEKS AFTER THE AMBASSADOR RETURNS.

12. DEPARTMENT REPEAT TO OTHER POSTS AS DESIRED.

NAAS

DEPARTMENT OF STATE

TELEGRAM

1978 AUG 17 AM 11: 55

INDICATE ☐ COLLECT ☐ CHARGE TO

File
RL 2-2

07890

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	SECRET NOFORN

ACTION: SECSTATE WASHDC

INFO: AMEMBASSY ANKARA
USINT BAGHDAD
AMEMBASSY ISLAMABAD
AMEMBASSY LONDON

07890

SECRET TEHRAN
NOFORN

E.O. 11652: XGDS-4
TAGS: PORS, PINS, IR
SUBJECT: INCREASE IN RELIGIOUS PRESSURE ON GOVERNMENT

REF: A. TEHRAN 7311, B. TEHRAN 7793

SUMMARY: RHETORIC AND CROWD ACTIVITY IN TEHRAN IS INCREASING SLIGHTLY. RELIGIOUS ELEMENTS APPEAR TO BE PLANNING SIGNIFICANT DEMONSTRATIONS FOR THREE-DAY MOURNING FOR DEATH OF IMAM ALI. SECRET TALKS BETWEEN GOI AND GOVERNMENT CONTINUE. RELIGIOUS LEADERS SEE CHANGE NECESSARY. END SUMMARY.

1. EYEWITNESS IRANIAN SOURCE TELLS US THERE HAS BEEN ALMOST CONTINUAL MINOR UPHEAVAL IN SOUTH TEHRAN FOR PAST SEVEN TO TEN DAYS. AYATOLLAHS AT MAJOR MOSQUES HAVE BECOME MORE ANTI-GOVERNMENT AND IN SOME CASES ANTI-FOREIGN AND DIRECTLY ANTI-AMERICAN. RESULT HAS BEEN SMALL GROUPS OF MEN IN THEIR TEENS OR TWENTIES HAVE BEEN ROAMING THE STREETS BREAKING WINDOWS.

DRAFTED BY	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
JDStempel:lab	8-17-78		CHARGE:CWNeas

OPTIONAL FORM 162(M)
(Formerly FS-413(M))
January 1975
Dept. of State

THE LOW LEVEL VIOLENCE THUS FAR HAS BEEN SPORADIC.

2. FIRST SERIOUS INDICATIONS THAT MOSQUE CROWDS MAY BE PREPARED FOR DEMONSTRATIONS FOLLOWING EARLY AFTERNOON PRAYER SESSIONS CAME AUG. 15. LARGE CROWD LEAVING MOSQUE AT SHAHNAZ SQUARE REFUSED TO DISPERSE WITH USUAL ENCOURAGEMENT BY POLICE AND LED AUTHORITIES ON A BIT OF A CHASE UP TO THE CORNER OF TAKTE JAMSHID AND OLD SHEMIRAN ROAD, SOME SIX BLOCKS FROM THE EMBASSY. GOI THAT DAY BEGAN PRECAUTIONARY STATIONING OF MILITARY UNITS AT KEY POINTS IN THE CITY. TO THE BEST OF OUR KNOWLEDGE, THERE HAS BEEN NO OUTBREAK OF SIGNIFICANT VIOLENCE, BUT POLICE REMAIN IN POSITION AROUND MOSQUES TO ENCOURAGE SUFFICIENT SWIFT DISPERSAL AFTER MAJOR PRAYER MEETING. ON AUG. 16, TEHRAN BAZAAR WAS CLOSED, BUT TROOPS WERE NEEDED TO BREAK UP CROWD EXITING FROM BAZAAR MOSQUE.

3. OUR SOURCES CLOSE TO THE RELIGIOUS COMMUNITY SAY THAT MORE DEMONSTRATIONS ARE PLANNED FOR THE AUG. 24 TO 26 PERIOD, THE VERY EMOTIONAL MOURNING OF THE DEATH OF IMAM ALI. ONE SOURCE TELLS US THAT SOME SOUTH TEHRAN MOSQUES ARE CIRCULATING SIGN-UP LISTS FOR A SIT IN TO BE HELD ON THE SHAHANSHAHI EXPRESSWAY AUG. 26. WE UNDERSTAND [redacted] THE ARMENIAN MOSQUE NEAR THE BAZAAR HAS BEEN CLOSED FOR A WEEK.

4. POLITICAL BYPLAY AMONG RELIGIOUS LEADERS AND BETWEEN THEM AND THE GOVERNMENT HAS INCREASED RAPIDLY OVER THE PAST

FEW WEEKS. AYATOLLAH SHARIATMADARI TOLD AGENCE FRANCE PRESS (AFP) THAT HIS PEOPLE WERE AGAINST COMMUNISM AND THAT THE SHAH HIMSELF SHOULD SPEAK WITH THE PEOPLE. SHARIATMADARI CRITICIZED THE GOVERNMENT'S HANDLING OF DEMONSTRATIONS IN SHIRAZ AND OPPOSED MARTIAL LAW IN ISFAHAN. HE STRONGLY OPPOSED VIOLENT ACTIVITIES ON BEHALF OF HIS FOLLOWERS BUT SAID THE GOVERNMENT SHOULD DO MORE FOR THE PEOPLE. WE UNDERSTAND FROM ONE WELL PLACED SOURCE THAT COURT MINISTER HOVEYDA WAS VERY IRRITATED WITH THIS INTERVIEW, BUT WAS TOLD BY A SENIOR IRANIAN THAT "AFTER ALL, SHARIATMADARI IS NOT A MEMBER OF YOUR STAFF."

5. WITHIN PAST FEW DAYS AYATOLLAH KHOMEINI SENT SHARIATMADARI A MESSAGE TO STOP TALKING ABOUT A CONSTITUTION AND PARLIAMENT SINCE KHOMEINI OPPOSED THEM ALL. SOURCE WHO HAS BEEN INVOLVED IN GOVERNMENT/RELIGIOUS DISCUSSIONS TELLS US SHARIATMADARI SENT KHOMEINI "PUT UP OR SHUT UP" MESSAGE TO THE EFFECT THAT IF KHOMEINI WAS SO STRONG, HE SHOULD COME TO TEHRAN AND SPEAK FACE TO FACE WITH THE AYATOLLAHS WHO LIVE IN IRAN. SHARIATMADARI NOTED KHOMEINI LIVED FAR AWAY FROM IRAN AND HAD REFUSED TO CRITICIZE THE IRAQI GOVERNMENT WHEN IT TOOK SEVERE ACTION AGAINST DEMONSTRATORS IN NAJAF ABOUT TWO YEARS AGO. SHARIATMADARI HAS TOLD HIS ADVISORS THAT HE "DOES NOT WISH TO BE SHAH" BUT WANTS CONSTITUTIONAL LAW AND A PARLIAMENT. SUBSEQUENT TO THIS, KHOMEINI REPORTEDLY ISSUED A PROCLAMATION CALLING ON ARMY

AND POLICE OFFICERS NOT TO FIRE ON THEIR BROTHERS AND GO AGAINST THE GOVERNMENT. ONE SOURCE REPLIED THIS IS THE FIRST OCCASION IN SOME TIME THAT ONE OF HIS MESSAGES HAS FALLEN ON DEAF EARS.

6. VERY SENSITIVE SOURCE RELAYED TO US THE SUBSTANCE OF A MEETING BETWEEN SAVAK CHIEF MOGHADDAM AND SHARIATMADARI'S SON-IN-LAW ABBASI NIGHT OF AUG 15. MOGHADDAM REPORTEDLY ASKED WHAT THE RELIGIOUS COMMUNITY WANTED AND ABBASI TICKED OFF FOLLOWING POINTS: A) THERE MUST BE A NEW GOVERNMENT. THE PRESENT CABINET IS UNRESPONSIVE TO THE PEOPLE AND IS BLAMED FOR THE KILLING THAT HAS TAKEN PLACE SINCE JANUARY. B) THE NEXT GOVERNMENT MUST AT A MINIMUM CALL TO ACCOUNT SOME OF THE MAJOR INDIVIDUALS SUSPECTED OF CORRUPTION, SUCH AS ALI REZA'I, MANSOUR YASSINI AND MAJOR INDUSTRIALISTS LAJEVARDI AND FOULADI. C) THE ACTIVITIES OF PRINCESS ASHRAF ARE [redacted] ANATHEMA TO THE RELIGIOUS COMMUNITY. SHE MUST BE CURTAILED. THE FINANCIAL ACTIVITIES OF AT LEAST TWO MEMBERS OF THE ROYAL FAMILY, GHOLAM REZA, AND MAHMOUD REZA MUST AT A MINIMUM BE REINED IN. ABBASSI TOLD MOGHADDAM CRITICALLY THAT MAHMOUD'S FRIEND MOZZAFARI JANDARI SHOULD BE FORCED OUT OF THE OPIUM GROWING BUSINESS. D) THE PEOPLE MUST BE FREE TO TALK AND WORSHIP, SHARIATMADARI'S PEOPLE GREATLY APPROVED OF THE SHAT'S CONSTITUTION DAY SPEECH AND MOGHADDAM WAS TOLD TO TELL THE SHAH THIS. MOGHADDAM REPLIED HE WOULD BE SEEING THE SHAH THAT EVENING.

7. AS A RESULT OF THE ABOVE DISCUSSION, THREE MAJOR AYATOLLAHS, SHARIATMADARI, GOLPAYGAN AND MARIASHI, DECIDED TO ISSUE A BULLETIN WHICH, WHILE ANTI-GOVERNMENT IN TONE, WILL CALL FOR MOSLEMS TO STOP KILLING THEIR BROTHERS AND TO REFRAIN FROM PUBLIC DISORDER. WE UNDERSTAND FROM OUR BEST SOURCE THAT RELIGIOUS GROUPS AT SOME POINT HAVE DISCUSSED POSSIBLE PRIME MINISTERS TO REPLACE AMOUZEGAR. MODERATE RELIGIOUS LEADERSHIP BELIEVES SENIOR STATESMAN IS NECESSARY, SOMEBODY WITH CONFIDENCE OF BOTH SHAH AND PEOPLE. OUR SOURCE THOUGHT TWO NAMES HAD BEEN BANDIED ABOUT: ALI AMINI AND SENATE PRESIDENT SHARIF EMAMI. HE HIMSELF ADDED SHAH'S ADVISORS FARDUST AND MOINIAN. ACCORDING TO SOURCE, SHARIF EMAMI WAS THOUGHT TO BE THE BEST CANDIDATE BECAUSE HE IS A VERY RELIGIOUS MAN HIMSELF AND HAS SOLID POLITICAL BACKING.

8. OUR RELIGIOUS SOURCES ARE ALL PESSIMISTIC THAT FURTHER VIOLENCE CAN BE AVOIDED UNLESS THERE ARE SOME CHANGES IN THE OFFING. RADICAL RELIGIOUS LEADERSHIP PLAYS ON EVERY INCIDENT TO WHIP UP MORE FEELING AND THE MOOD, PARTICULARLY IN TEHRAN, IS COMING TO AN ACCEPTANCE OF MORE DEMONSTRATIONS.

NAAS

UNITED STATES GOVERNMENT

Memorandum

TO : Ambassador **DATE:** August 22, 1978

FROM : John D. Stempel, Acting Head of Political

SUBJECT: While You Were Away ...
...the place really didn't turn to crap, but it might have looked like it:

Domestic Scene

--July and August saw an increase in religious pressure on the government (Tehran 7890 and 7311). A discreet split between the Khomeini and Shariatmadari factions may have become public as a result of the Abadan Theatre disaster, when the moderates condemned the firebombing and nothing has yet been heard from the Khomeiniites. Anti-western and anti-American sentiment has increased significantly in the past two-three weeks.

--The Shah's Constitution Day speech (Tehran 7456) put Iran squarely on the road to liberalization in a public way. This may undergo some shifts, as the Shah noted on August 17 (Tehran 7949), if violence continues. Rumors of the Shah's ill health (Tehran 7043) caused much toing and froing, but now appear laid to rest.

--Earlier in the summer, a number of older politicians, such as Ali Amini, began to take advantage of the liberalization to make political statements. We received a number of approaches from people who want our aid or seek support for their own anti-communist (of course!) schemes.

--The July Cabinet shift made no major changes (Tehran 6975).

--The Prime Minister finished a year in office. Our assessment (Tehran 7702) suggested he needs more political finesse.

Foreign Affairs

--Iranians were delighted with the Sino-Japanese peace treaty and the forthcoming visit of Chairman Hua will probably be the major foreign policy event of the year.

--Iran has been itchy over potential communist threats--castigating Castro (Tehran 7187); worrying about the Mauretanian coup; seeing two choppers shot down by the Soviets (Tehran 6912), and, most recently, making us aware of their concerns over the "Sovietization" of Afghanistan (Tehran 7770)

Human Rights

--We are following the story of 38 prisoners who were allegedly tried by civil court, released and then picked up by SAVAK for Military Trial.

--The 28th Amordad (Shah returns in 1953) Amnesty on August 19 saw 62 anti-state prisoners released in a flock of 711. No names yet.

--The new Bar Association leadership remains active, and progressive faction lawyers have continued to defend demonstrators--some get off, some don't.

The Next Few Days

You could have a busy weekend ahead. August 24 to 26 are the high mourning days of Ramazan. Until the Abadan Theatre tragedy, many demonstrations were expected, perhaps even a sit-in on the Shahanshahi Expressway. The fire may bring a public reaction against violence. We also understand the GOI has recently picked up a number of the more fractious mullahs, so the expected confrontation may not be as great as previously expected. August 26, the day which commemorates the actual death of Imam Ali, could still be a very sticky 24 hours given the emotionalism and fanatacism which has come to mark demonstrations in the past two weeks.

POL:JDStempel:lab:8-22-78

Tehran, August 23, 1978

His Excellency
Jafar Nadim
Undersecretary for International
and Economic Affairs
Ministry of Foreign Affairs
Tehran

Dear Jafar:

In view of our recent discussion on the World Conference to Combat Racism and Racial Discrimination, I thought you would be interested in the following statement which was released by the White House on August 18. I very much appreciate the encouraging words on this subject which you passed to me the other evening.

"This week representatives of many nations are meeting in Geneva in a world conference to combat racism and racial discrimination.

"The Conference marks the mid-point of the United Nations Decade for Action to Combat racism and racial discrimination, a decade whose initiation the United States supported strongly. But the United States is unable to participate in this potentially important conference, although we will closely monitor the proceedings, because the definition of "racism" has been perverted for political ends by including Zionism as one of its forms. The United States cannot associate itself with the Decade so long as it endorses the patently false definition of Zionism as a form of racism.

"Instead, we hope that this Conference will return to the original purpose of the Decade, so that we might rejoin this international effort to eliminate racism throughout the world. We will work towards this end because we know the challenge that racism poses, and for more than a century we have struggled to heal its scars. We know our goals have not been fully accomplished, yet we are encouraged and deeply committed to them. Domestically and internationally, we will continue to

pursue this great common purpose in the context of other uncompromised efforts.

"We call on all nations to respect the original objectives of the United Nations Decade Against Racism and to resist efforts that distort its purpose and erode its moral force."

With high personal regards.

Sincerely,

Charles W. Naas
Minister-Counselor

CWNass/ sw

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COUNTRY TEAM MINUTES

August 23, 1978

The DCM opened the meeting by introducing new members of the Country Team to Ambassador Sullivan. The Ambassador said he will spend today and tomorrow morning reading and catching up, and will see section chiefs starting tomorrow afternoon.

The Ambassador reviewed his two stopovers in Washington. He said the first period, back in June, focused primarily on language for the nuclear bilateral accord and on arrangements for a PRC meeting. The second visit was more concerned with events in Iran. He said there is great concern in Washington and in neighboring countries over the recent activity here.

On the nuclear bilateral, the Ambassador reported that the Nuclear Regulatory Commission split 2-2 on it, which will attract a certain amount of attention before it goes before Congress. The Ambassador said he went to the Hill and spoke with a number of key legislators about the accord. No real problems are foreseen, aside from the expected effort to use the issue as a means for giving adverse publicity to Iran.

The Ambassador reviewed other news from Washington, noting that Congress will probably return for a lame-duck session following the elections. Iranian students in the U.S. remain as active as ever. There is a certain amount of concern in Washington over the geopolitical stability of this region, particularly in the aftermath of the Afghan coup.

The DCM reported on the extensive changes made by the Iranians in the Farsi text of the nuclear accord, noting that the GOI hopes to sign the document by September 10.

Mr. Shellenberger discussed the inflow of Western press to Iran following the Abadan disaster. He announced that Mayor Bradley may come to Tehran and take part in an IAS program on municipalities.

General Kertesz reported on the Crown Prince's activities in the U.S. The Ambassador inquired about the GOI's decision to buy the 31 F-4E's, saying that he hoped they were under no illusions that they would eventually be able to put Group A wiring in.

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Mr. Westley reported on the visit of Westinghouse's Chairman of the Board. The Ambassador said he had had a long session with Messrs. Bergsten and Solomon, who are concerned with the oil price. He said that Secretary Blumenthal may come to Iran in October. The Ambassador also suggested to Under Secretary Cooper that he consider coming to Iran later this year to chair another session of the U.S.-Iran Joint Commission.

Dr. John Stempel reported on news accounts of the recent Abadan theater fire. He noted that moderates who earlier were not wont to critize Ayatollah Khomeini were using this opportunity to do so indirectly by condemning the fire. The Ambassador characterized this as "true Khomeini grit."

Dr. Stempel noted that today's Kayhan is carrying Senator Naini's statement that the Monarch is not being kept fully informed.

Mr. Mills reported that the Regional Medical Officer will be in town from August 24 to 28. Those wishing to see him should call the Health Unit for an appointment.

On the subject of building construction, the Ambassador reported that Mr. Gingles has secured the necessary $2.3 million for the new office building, effective fiscal 1980. This was followed by some discussion of the Iranshahr vs. Iran Galleries locations as sites for interim operations.

Mr. Taylor reported that figures now available for economic accounts for the first four months of the year show a $1.3 billion deficit. With an anticipated $8 billion to $10 billion budget for the entire year, such a deficit is not running at a pro rata level.

Meanwhile, balance of payments accounts for the first quarter are in balance but showing signs of moving into deficit. We expect a $1 billion deficit over the year.

A budget directive has gone out to the Ministries for preparation of the 2538 budget, indicating that it may be prepared on time this year.

Mr. Snow reported that, save for student orientation, IAS has no programs during Ramazan. The Center has no extra police assigned to it, but more are available if necessary.

Mr. Ryno offered the latest news on the Trade Center. He announced that the Trade Fair will open on September 19, with the U.S. hoping to have the best presentation in history.

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Tehran, September 6, 1978

OFFICIAL-INFORMAL

David McGaffey, Esquire
American Consul
American Consulate
Isfahan, Iran

Dear David:

In recent weeks the Ambassador and I have received from several high-level officials thinly veiled accusations that the U.S. is somehow involved in the demonstrations and is supporting the opposition. The Ambassador met these charges directly with firm denials and the offer to meet at any time to review or analyze any evidence they thought indicated U.S. finagling. You should, if it is necessary, be just as firm.

In the months ahead Iranians of all political hues will be looking for indications of the U.S. attitude on the domestic developments. This will present for all of us tricky and delicate situations which can easily lead to misunderstandings. Therefore, I am certain you will be very discreet and meld the following points as appropriate into your discussions:

-- U.S.-Iranian relations are excellent and solidly based on enduring mutual interests.

-- Iran has been deemed to be of great importance to the U.S. since World War II by both Republican and Democratic Presidents; in December 1977 President Carter said, "our strength is Iran's strength and Iran's strength is ours.";

-- The U.S. wishes Iran to be strong economically and militarily and politically stable;

-- The U.S. has welcomed the Shah's "liberalisation policy" which aims to develop over time a democratic political system; we have no doubts as to his sincerity about the process;

-- The monarchy is a deeply important institution in Iran and the Shah is, in our view, the individual most suited to lead the Iranian people to a more democratic system;

-- It is signally important that responsible political figures work within the system as it develops to assist the Shah and his government in this endeavor;

-- Violence will only work against the achievement of a democratic system and play into the hands of those forces of the extreme left and right who do not want Iran to prosper;

I am writing similarly to your colleagues at the other Consulates.

Sincerely,

Charles W. Naas
Minister-Counselor

CONFIDENTIAL

Tehran, September 6, 1978

OFFICIAL-INFORMAL

Victor Tomseth, Esquire
American Consul
American Consulate
Shiraz, Iran

Dear Vic:

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I am writing similarly to your colleagues at the other Consulates.

Sincerely,

Charles W. Naas
Minister-Counselor

Tehran, September 6, 1978

OFFICIAL-INFORMAL

Michael Metrinko, Esquire
American Consul
American Consulate
Tabriz, Iran

Dear Mike:

In recent weeks the Ambassador and I have received from several high-level officials thinly veiled accusations that the U.S. is somehow involved in the demonstrations and is supporting the opposition. The Ambassador met these charges directly with firm denials and the offer to meet at any time to review or analyze any evidence they thought indicated U.S. finagling. You should, if it is necessary, be just as firm.

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I am writing similarly to your colleagues at the other Consulates.

Sincerely,

Charles W. Naas
Minister-Counselor

DCM:CWNaas/sw

COUNTRY TEAM MINUTES
September 6, 1978

The Ambassador opened the meeting by discussing the large but nonviolent demonstrations September 5 in Tehran. He said it is unclear whether a new pattern has been set by the peaceful character of those demonstrations. It is, in any case, a double-edged tactic, possibly meant to discourage security forces from vigorous action in the future. The Ambassador will query the Iranian Minister of Interior for his view of future prospects during his visit today. Tomorrow is the traditional seventh day of mourning for those killed in earlier demonstrations. The Bazaar will be closed, as will shops elsewhere. Mr. Bannerman said shopkeepers have been told to keep shops closed tomorrow. Dr. Stempel said that tomorrow is meant to be a quiet day, not an actual general strike.

The Ambassador said talks are continuing with Iranians who are trying to persuade the Shah to be conciliatory. One of these men, Hushang Ram, has supported rumors that the mullahs are out to get Hoveyda. Although Hoveyda is a practicing Muslim, his father was linked to the Bahais, and he is thereby tainted. There are heavy rumors to the effect that Zahedi, who has returned from the United States, will replace Hoveyda.

The Ambassador said he met last evening with some Israelis who expressed concern that Jews will be the next target of Muslim fanatics. The Israelis do not, however, seem worried about the impact of such an eventuality on Iran-Israeli relations. He asked the DCM to have a cable sent, giving the Israeli analysis of the situation.

The Ambassador asked Dr. Stempel to prepare a cable on the Shah's visit to Romania and East Germany. He requested a report from Berlin, since that is the headquarters of the Tudeh Party.

The Ambassador mentioned the international women's meeting underway in Tehran. He called for a cable on the state of women's affairs, now that the Ministry for Women's Affairs has disappeared. Someone should contact Afkhami; perhaps Lauri Tracy can take over this area after she arrives.

The Ambassador asked Mr. Westley to have Mr. Bash examine a CIA study regarding projected oil production in Iran. The study predicts a sharp drop in production.

The Ambassador asked COL. Finehout to look into the matter of a lost wallet and Imperial Iranian Car Company.

The Ambassador announced that the U.S. Ambassador to Pakistan will visit Tehran.

Mr. Shellenberger recounted his conversation with a NIRT commentator, who said NIRT's International broadcasting will be less open than the Farsi reporting. The NIRT reporter also revealed that relations between the International and Farsi staffs at NIRT are poor. Mr. Shellenberger said he spoke with someone from Abadan who said Tehran is like Cedar Falls in comparison, due to the tense security situation in Abadan. Mr. Shellenberger reported rumors that the Embassy has issued instructions regarding evacuation procedures. The Ambassador noted that one-half of the population of Abadan is Arab, a fact which may affect the response there toward the security situation.

Mr. Shellenberger said he expects to receive a list today of the sixteen university presidents. Not all will necessarily be new to the position.

COL. Finehout said this is the day for LOA's but only four have been issued. The Ambassador attributed this to the current budget crunch.

COL. Finehout reported that an Iranian police garrison, which shares facilities with his transportation section, was hit this morning; a guard was killed. A Citroen was left there ready to explode, but failed to do so. This took place about 0530.

Mr. Westley said Glenn Watts of AFL-CIO will be visiting Tehran. He has made his own travel arrangements. The Ambassador asked Mr. Westley to confirm Mr. Watts' hotel reservations.

Mr. Westley said he spoke with the head of Pepsi distributing company, who revealed that four years ago, Shariatmadari was paid to promote Pepsi operations in Iran. Mr. Westley said the American Chamber of Commerce has invited the Ambassador to speak at a luncheon in November. The Ambassador agreed in principle. There was discussion as to whether Secretary Blumenthal would address the chamber when he visits Iran. It will have to be a breakfast, due to his tight schedule.

Dr. Stempel reported that Tabriz Majles Deputy Nejad, the number two man in the Workers' Organization, has announced he is joining the opposition. Dr. Stempel said Arya Mehr University will remain open this year. He reported that 134 teachers at Tehran University have refused to teach this fall unless other faculty who were forced into early retirement are reinstated. He discussed a peaceful demonstration last night at Jaleh Mosque. Demonstrators have begun to offer money to security forces, telling them they are not paid enough to do that kind of work.

Mr. Neeley said crop conditions in the north are good. The road south of the mountains to Mashad is very poor; one should take an alternate route.

The Ambassador asked whether there was any special reason why Elam should have had so much trouble.

Mr. Greene said with reference to a newspaper story that no U.S. rifles are being used by the Iranian Army The Gendarmerie does, however, still use some M-1 rifles they received a long time ago.

Mr. Burton said Moniri is out of the country. He would like to be the next head of Iran Air but has no support.

Mr. Dedich reported that several Asian traffickers have been arrested in Amsterdam. Evidence points to a link between Asian and Iranian traffickers. Yesterday two tons of hashish were seized near Maku; it was destined for Europe. There is no sign that Afghanistan is drying up.

Mr. Adler reported information from a non-GOI source which indicated Iran is reassessing nuclear power According to this contact, no additional units will be purchased beyond current 9,000 megawatts. This is the first sign of a radical shift and cutback. The Ambassador said he had heard France will get all the nuclear business here as compensation for restraint in Pakistan.

COL. Shaefer reported loss of a helicopter flown by police; it may have been IIAF A First Sgt. was killed.

Mr. Bannerman discussed the security situation for tomorrow. We expect stores to be closed throughout the city and peaceful marches. He announced, in order to get a consistent policy, that the Embassy recommends any scheduled events to take place as scheduled. For example, the chili cookout will be held. The Ambassador endorsed this recommendation, adding that on the other hand, he would not recommend a ladies club tour of the bazaar. He instructed section heads to relay Mr. Bannerman s assessment. Mr. Snow said IAS has scheduled normal registration for English classes 8:00 to 12:00 tomorrow. He reported that last Monday night the police were doubled up at the Vozara facility, but it seems police are spread fairly thin. Mr. Bannerman said this has been the case, but with Ramazan over, the police will go back to keeping a mobile reserve force. Mr. Snow noted there is an archeological lecture scheduled for tomorrow night. It will take place as scheduled.

POL:WGPerett:9/10/78

COUNTRY TEAM MINUTES-9/6/78

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MEMORANDUM TO THE FILES

FROM: POL - John D. Stempel

DATE: September 7, 1978

The evening of September 3 I was invited to the Foreign Ministry club for cocktails with Special Assistant to the Prime Minister Darious Boyandor. Boyandor wanted to talk with me about recent events in Iran and my views on them.

I noted that the U.S. was watching with interest and approval the Shah's and Prime Minister's efforts to liberalize the political system and conciliate the religious leaders. In response to a question from Boyandor, I reaffirmed that the U.S. felt the monarchy was an important institution in Iran and that the Shah is a key figure in the liberalization process. I concluded with the hope that responsible political figures from all quarters would work within the system.

We discussed the hard line the opposition had taken toward government concessions in the political sphere and Boyandor confirmed the government's intention to go forward with considerable liberalization of the political atmosphere. However, the Prime Minister and others, he said, were becoming concerned that there was no sense of give within the opposition and that religious and other figures felt they had the government on the run and would press for concessions or demand changes which would be impossible. Violence, he added, might continue. This would raise two fundamental questions: 1) What happens if the "crunch" comes? What would be the USG's attitude toward the reestablisment of order by force? 2) Would democracy work in Iran? Are there enough good leaders and modern political figures to prevent the country's regressing to a fundamental religious form of government?

With respect to U.S. attitudes toward the maintenance of public order, I pointed out that the so-called "American emphasis" on human rights had not, contrary to the opinion of many, advocated chaos instead of public order. Speaking personally, I thought the U.S. government would be sympathetic towards efforts to establish public order if taken within the context of a system which offered ample opportunity for political participation. The Embassy understood that the Prime Minisiter had in effect taken the lid off a very difficult situation. We were hopeful that the government will do what is necessary to limit unrestrained force to maintain order. The better the political case for the use of force, the easier it would be for Iran's friends abroad in Europe and the U.S. to defend it.

With respect to the question of whether Iran could support democracy, I replied that this seemed to be a question for Iranians themselves to work out. Boyandor replied more leadership was needed and expressed his personal belief that the government had to do more. The supporters of the government should organize themselves better. He expressed some doubt that the Prime Minister himself was willing to do this and was not optimistic about the groups he had already seen enter the political arena. We concluded the discussion with expressions of hope for a successful outcome of the political liberalization process.

Boyandor, who is a career foreign service officer, said he had been asked to remain on the Prime Minister's staff and, of course, would do so. Personally, however, he hopes to go back to foreign affairs within two to three months because "it takes ten months to break in a Prime Minister and this will be my third!"

Comment: I don't believe Boyandor was specifically directed by his boss to raise the question of U.S. reaction to confirm measures against anarchy, but I have no doubt that my basic response to Boyandor's questions will reach senior levels in the Prime Minister's office.

POL:JDStempel:lab:9/11/78

CC:NEA/IRN

UNITED STATES GOVERNMENT

Memorandum

TO : All Section Chiefs (see distribution) DATE: Sept. 7, 1978

FROM : POL - John D. Stempel

SUBJECT: U.S. Posture Toward GOI

At staff meeting September 3, the Ambassador spoke of the need to make clear the U.S. Government's attitude toward the changes now going on in Iran. Accordingly, he has approved the talking points listed below for use with your Iranian contacts:

--U.S.-Iranian relations are excellent and solidly based on enduring mutual interests.

--Iran has been deemed to be of great importance to the U.S. since World War II by both Republican and Democratic Presidents; in December 1977 President Carter said, "our strength is Iran's strength and Iran's strength is ours"

--The U.S. wishes Iran to be strong economically and militarily and politically stable.

--The U.S. has welcomed the Shah's "liberalization policy" which aims to develop over time a democratic political system; we have no doubts as to his sincerity about the process.

--The monarchy is a deeply important institution in Iran and the Shah is, in our view, the individual most suited to lead the Iranian people to a more democratic system.

--It is signally important that responsible political figures work within the system as it develops to assist the Shah and his government in this endeavor.

--Violence will only work against the achievement of a democratic system and play into the hands of those forces of the extreme left and right who do not want Iran to prosper.

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CRU-2

E.O. 11652: GDS

TAGS: PGOV, PINS, PINT, IR

SUBJECT: SITUATION IN IRAN

1. DURING PAST THREE DAYS, I HAVE MET WITH FOREIGN MINISTER ASHRAF, EDUCATION MINISTER NAHAVANDI (LEADER OF LARGEST BLOC IN CURRENT GOVT), SENIOR MILITARY OFFICERS, AND HAD AN AUDIENCE OF OVER AN HOUR WITH THE SHAH. IT MAY BE USEFUL FOR DEPT AND INFO ADDRESSEES TO HAVE SOME FLAVOR OF THESE DISCUSSIONS.

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2. THE FOREIGN MINISTER, WHOM I MET SEPT 8, SHORTLY AFTER DECLARATION OF MARTIAL LAW, SPENT MOST OF OUR MEETING EXPLAINING AND JUSTIFYING THE INTRODUCTION OF MARTIAL LAW. SINCE THE MEETING WAS AT HIS REQUEST, HE WAS WELL PREPARED WITH COPIES OF STATEMENTS MADE BY OPPOSITION, WITH TEXTS OF BANNERS DISPLAYED IN MANIFESTATION SEPT 7, AND WITH RATIONALE FOR GOVT ACTION. HE WAS UNWILLING TO CONCEDE ANY DEFICIENCIES ~~ORXTHE~~ ON THE PART OF THE SHAH OR THE GOVT AND PERSISTED IN DEPICTING THE DISTURBANCES AS FOREIGN-INSPIRED. HE SHOWED LITTLE SENSITIVITY TO THE DEATHS THAT HAD OCCURRED IN THE CLASHES EARLIER THAT DAY AND INSISTED THAT NO MORE THAN TEN HAD DIED. (HE LATER TELEPHONED ME AT HOME TO CHANGE THAT FIGURE TO "ABOUT 100.") HE SEEMED EAGER TO HAVE AN OFFICIAL U.S. REACTION TO EVENTS AND ASKED IF I HAD ANY VIEWS ABOUT NEXT STEPS IRAN MIGHT TAKE.

3. EDUCATION MINISTER NAHAVANDI, BY CONTRAST, INDICATED GREAT CONCERN OVER POSSIBLE CONSEQUENCES OF MARTIAL LAW. DURING SEPT 9 MEETING (WHICH WAS HELD AT MY REQUEST) HE CONTINUED TO RECEIVE TELEPHONE REPORTS ON VARIOUS POCKETS OF VIOLENCE THROUGHOUT CITY. HE SAID CABINET MEETING ~~MXGHT~~ NIGHT OF SEPT 7 WHICH HAD DECIDED ON MARTIAL LAW HAD BEEN AN EMOTIONAL ONE, AND HAD BEEN HELD UPON THE INSISTENCE OF THE MILITARY. HE SAID HE

AND HIS GROUP HAD REFUSED TO ACCEPT THESIS THAT "FOREIGNERS" HAD CAUSED ALL RECENT DISTURBANCES AND HAD PROPOSED SWEEPING REFORMS ("NETTOYAGE TOTALE"). HE OBVIOUSLY FEELS THAT HIS VIEWS HAVE NOT RPT NOT BEEN ADEQUATELY ACCEPTED AND HAS ISSUED A PUBLIC STATEMENT SAYING THAT [redacted] REFORMS MUST FOLLOW MARTIAL LAW.

4. HE THEN WENT ON TO MAKE "ONE OBSERVATION INFANTILE." HE SAID THE UNITED STATES GOVT COULD PLAY A KEY ROLE IN CURRENT [redacted]ITUATION. PERHAPS WE HAD MORE INFLUENCE WITH SHAH THAN THE GOVT DID. WE SHOULD ACT TO USE THAT INFLUENCE. "FAITES VITE."

5. IN TALKING TO SENIOR MILITARY OFFICERS, I FIND THEM, ON THE SURFACE, EXPRESSING GREAT SATISFACTION WITH DECLARATION OF MARTIAL LAW. THEY, LIKE THE FOREIGN MINISTER [redacted], EXPAND AT GREAT LENGTH ON THE MALICIOUS INTENTIONS OF THE DEMONSTRATORS AND THE EXTENT OF THE THREAT TO THE NATION. IN THE COURSE OF DETAILED DISCUSSION, HOWEVER, THEY DISPLAY REAL NERVOUSNESS ABOUT FUTURE COURSE OF EVENTS. THEY EXPECT TERRORISM, SABOTAGE, AND INDUSTRIAL STRIKES. THEY WERE CLEARLY SHAKEN BY THE SIZE AND ORGANIZATION OF THE DEMONSTRATIONS, PARTICULARLY THAT OF SEPT 7.

6. AS FOR THE SHAH, WHOM I MET SEPT 10, I FOUND HIM TIRED AND UNHAPPY, BUT CONSIDERABLY MORE SPIRITED THAN

HE WAS A WEEK AGO. HE DISPLAYED CONSIDERABLY GREATER SENSITIVITY TO THE DEATHS THAT HAD OCCURRED THAN DID HIS FOREIGN MINISTER. HE PERSISTS IN SAYING THAT HE SEES THE SOVIET HAND IN ALL THE DEMONSTRATIONS AND DISTURBANCES THAT HAVE TAKEN PLACE. AT THE SAME TIME, HE SAYS THAT "PAST MISTAKES" MUST BE CORRECTED. HE SAYS HE HAS ORDERED A CAMPAIGN AGAINST CORRUPTION. NINE ARRESTS HAVE ALREADY BEEN MADE AND WILL SHORTLY BE ANNOUNCED. MORE ASSISTANCE WILL BE GIVEN THE COUNTRYSIDE. THE PROCESS OF LIBERALIZATION WILL CONTINUE. LEGISLATION ON FREEDOM OF ASSEMBLY AND OF PRESS WILL BE INTRODUCED [redacted] INTO THE PARLIAMENT. THE ELECTIONS WILL BE HELD--AS FREE ELECTIONS--IN JUNE.

7. HE IS EAGER FOR SOME PUBLIC EXPRESSION OF U.S. SUPPORT FOR HIM, FOR HIS REGIME, AND FOR HIS PROGRAM. HE HAS A MORE COHERENT PLAN OF ACTION THAN HE EARLIER DISPLAYED. HE CATEGORICALLY ESCHEWS ANY SUGGESTION THAT HE WILL ABDICATE OR FLEE THE CURRENT SITUATION. ON THE OTHER HAND, HE DOES NOT MINIMIZE THE PROBLEMS HE FACES. HE REALIZES THAT MARTIAL LAW MAY FORCE HIS OPPOSITION UNDERGROUND AND INTO ACTS OF TERRORISM AND SABOTAGE. HE IS CONCERNED THAT A WAVE OF INDUSTRIAL STRIKES MAY BE IN THE OFFING. HE APPRECIATES THAT THE IMAGE OF MARTIAL LAW WILL BE OFFENSIVE TO MANY INTERNATIONALLY, INCLUDING THE UNITED STATES.

8. THE NET IMPRESSION I DERIVE FROM THESE SEVERAL INTERVIEWS IS THAT THE ESTABLISHMENT IN IRAN IS BADLY SHAKEN BY RECENT EVENTS. THERE IS STILL A STRONG ELEMENT, NOT ONLY IN THE MILITARY, BUT ALSO IN THE CABINET WHICH FAVORS THE RETURN TO A HARSH, AUTHORITARIAN ROLE TO SUPPRESS THE OPPOSITION. THERE IS, AT THE SAME TIME, A SIGNIFICANT GROUP IN THE LEADERSHIP THAT BELIEVES REPRESSIVE ACTION WILL NOT WORK AND THAT THE TIME IS OVERDUE FOR ACTIONS WHICH WILL MEET LEGITIMATE GRIEVANCES. THE SHAH, IN THE PAST FEW WEEKS, HAS PLAYED A HAMLET-LIKE ROLE, WITHOUT ASSERTING HIS INFLUENCE IN EITHER DIRECTION. HE SEEMS, AS OF TODAY, TO HAVE RECOVERED SOME OF HIS FORMER CONFIDENCE AND TO HAVE RESUMED CONTROL OF GOVERNMENTAL ACTION. HE IS CONVINCING WHEN HE SAYS THAT HE HAS SIDED WITH THOSE WHO WANT REFORM AND WE CAN EXPECT HIM TO ATTEMPT TO CARRY OUT THOSE CHANGES.

9. IT IS STILL TOO EARLY, HOWEVER, TO ESTIMATE WHETHER HE WILL BE ABLE TO DO WHAT HE SAYS HE WANTS TO DO WHILE HE IS SADDLED WITH THE HUBRIS OF A SULLEN POPULATION CHAFING AT THE IMPOSITION OF MARTIAL LAW.

SULLIVAN

GPO FORM NO. 10
JULY 1970 EDITION
GSA FPMR 101 CFR 101-11.6

UNITED STATES GOVERNMENT

Memorandum

CONFIDENTIAL

DCM - Mr. Naas

DATE: 9/12/78

SHIRAZ - Victor L. Tomseth

SUBJECT: The Security of American Citizens Living in Southern Iran

Prior to the first of September the Consulate in its discussions with members of the American community in southern Iran, both with individuals and with groups, had been taking the line that while civil unrest here has had an underlying anti-foreign bias, it had neither been directed at foreigners in general nor Americans in particular. Under such circumstances, we advised that it was unlikely that Americans were in serious danger as long as they avoided situations where they might be caught by accident or as targets of opportunity in protest actvities. More recently, conversations that Consulate staff members (and spouses) have had with a broad cross-section of Iranians in Shiraz, Ahwaz, Khorramshahr and Abadan indicate a shift in attitudes that may make our earlier assessment invalid.

While viewpoints vary, the rapid emergence of anti-American sentiment in recent days in almost every instanced can be traced to widespread dissatisfaction with the regime, continuing powerlessness of opponents to bring about fundemental change in the situation (in this regard, the appointment of the Sharif-Emami government is overwhelmingly seen as no more than cosmetic), and a widely shared belief that the United States is capable of doing much more to manipulate events than is in reality the case. Thus, a single individual can blame us both for the unrest (the Administration's human rights policy) and for the regime's ability to maintain itself in power (military equipment sales and support).

Expressions of anti-American sentiment (aside from Yankee go home posters and graffiti which blossomed before the imposition of martial law) have been indirect for the most part, often taking the form of, "We have nothing against

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you personally, but Iranians dislike Americans because 1) you keep the Shah in power, 2) American weapons kill our people, 3) you are a bad moral influence on our children, 4) you do not respect Islam, 5) you have caused inflation and shortages, etc." Several people, out of genuine concern for individual Americans they know, have advised that they leave Iran quickly lest something happen to them. This concern may be exaggerated, but it is indicative of a situation they unquestionably perceive as inhospitable to Americans.

The Americans living in southern Iran are not oblivious to these sentiments. Colleagues at work and neighbors see to that. Perhaps because they feel more isolated than Americans in Tehran, they have tended to be extremely nervous about the security situation and to look to the Consulate for advice and regular reassurance. While our assessment of the situation does not lead us to conclude that Americans should start packing their bags, the potential for trouble involving Americans does seem to have increased considerably in recent days. Conveying this view to the American community involves some risk of exacerbating fear which is perhaps already overblown among many of its members, but if we are too relaxed, we stand in danger of loosing our credibility. There has already been some talk to the effect that the U.S. Government cares less about its citizens than about its relationship with the Shah. While the analogy is both far-fetched and inaccurate in its details, the case of Vietnam has been cited as an example of our sacrificing the safety of American citizens for the sake of an illusion.

Given the circumstances here, we believe that for the time being we should take the following line when approached by Americans regarding the security situation: Conditions are not such to warrant an organized evacuation of Iran, either on a selective basis or in toto. Indeed, the imposition of martial law in several cities throughout the country generally seems to be having a salutary effect as far as civil unrest is concerned. However, anti-American sentiment among certain segments of the Iranian population appears to have increased recently. Its emergence suggests that American citizens living in southern Iran need to be especially conscious of precautionary measures that will help them to avoid situations which potentially could be dangerous to them. These measures, if adhered to, as well as martial law provisions themselves, will inevitably entail a certain degree of restricted freedom, particularly as they affect dependents. It is up to each individual to determine whether or not this restricted freedom will be within the bounds of tolerance for him or her and his or her family members.

While such advice may lead to some individuals sending their dependents home and make it relatively more difficult for companies and organizations to recruit for Iran, we think it will reassure members of the American community in general of our concern for their welfare without leading to a panic. The number of dependents has been falling in any event, and what appears in the news media in the United States will have greater impact on recruiting than what we say here. Thus, in effect we would not be in the vanguard of a policy shift but rather lending a rationale to trends already underway. On balance, a reduced presence might not be such a bad thing.

cc: CONS - Mr. Goelz
SY - Mr. Bannerman
POL - Mr. Stempel

CONS
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COUNTRY TEAM MINUTES

September 13, 1978

The Ambassador opened the meeting with a review of the activities of the past week. He said the Thursday demonstration caused great concern within the government due to its size and obvious organization. He characterized the Friday shootings at Jaleh Square as unfortunately indicative of the nature of the martial law authority; the troops were dressed in full battle gear and using combat rather than crowd control weapons. He said the government's task now is to sort out the orderly from the disruptive elements of the opposition. He stressed the importance for the official community to observe the martial law regulations. He instructed that Mission reporting should emphasize the factual rather than analytic for the time being. The Embassy has been commended by Under Secretary Newsom for its reporting during the recent period.

In running through several other odds and ends, the Ambassador noted that he had been hearing complaints from American businessmen concerning tardy payments by the Iranians for services rendered. This fits in with our growing impression of a severe budgetary crunch. Such a situation could be due to paralysis under the new ministers or fear of making payments that have the possible taint of corruption. Anyone hearing more in this area should report to John Mills.

On the subject of curruption, we may be on the verge of losing a number of friends and contacts. For example, Etemad and Mansur have been ordered not to leave the country as they are under investigation.

The Ambassador discussed a message he has received from Deputy Under Secretary Read announcing plans for FY 80 budget and position cuts. The Department is to take a cut of $55 million and 461 positions, many of which will be overseas. One proposal under consideration would be to cut NIV slots in low-fraud countries. Mr. Goelz scoffed at this idea, saying it would not release many positions.

Secretary Blumenthal will visit Iran later this year. Messrs. Naas and Mills will begin putting together a program. The Secretar will be invited to stay at the Residence.

The head of the Consortium has scheduled a cocktail party for the same time as the Ambassador's reception for John Mills. The Ambassador wants to meet with the Consortium people at some point, but will regret the invitation.

SA:RBoyce/bjh

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Mr Shellenberger discussed the live TV coverage of the Majlis, saying that it is having a tremendous effect, acting as a sort of safety valve for letting off steam.

ICA has received an hour-long videotape from Washington, depicting a group of Iranian students discussing their experiences. The film will be available at the student counseling center.

Mr. Mills discussed the effect recent events have had on the economy, noting that there does appear to have been a shift in budget priorities from defense to agriculture.

In political news, the Noori arrested today is the same mullah who has been pushing the anti-Jewish line. He was also involved in the Jaleh Square incidents.

Mr. Butler confirmed the new availability of funds for agriculture. The Ambassador is to call on the new Minister in the near future.

Colonel Schaefer reported that William "Your Man" Branigan had called the DAO, expressing chagrin over his erroneous reporting that Iranian riot troops had been using American rifles.

Mr. Bannerman reported on a recent security meeting attended by over 187 companies.

Mr. Goelz reported the not-too-surprising news that inquiries concerning U.S. visas have zoomed.

Mr. Ryno confirmed that the Trade Fair will open as scheduled on September 19.

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E.O. 11652:
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ACTION: SECSTATE WASHDC PRIORITY

INFO: AMEMBASSY ANKARA
AMEMBASSY BONN
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMEMBASSY LONDON
AMEMBASSY NEW DELHI
AMEMBASSY TOKYO
USCINCEUR VAIHINGEN GE

POL-3

CONFIDENTIAL TEHRAN 08794

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E.O. 11652: GDS

CRU-2

TAGS: MOPS, PINS, IR

SUBJECT: ~~LACK OF~~ NEED FOR CROWD CONTROL EQUIPMENT IN IRAN

1. ONE TROUBLING FEATURE ABOUT THE IMPOSITION OF MARTIAL LAW IN IRAN IS THE ABSENCE OF ANY UNITS WITHIN THE IRANIAN ARMY WHICH ARE SPECIFICALLY TRAINED AND EQUIPPED FOR NON-LETHAL CROWD CONTROL. WHEN TROOPS WERE BROUGHT INTO TEHRAN LAST WEEK TO TAKE OVER FROM THE POLICE, THEY CAME EQUIPPED IN FULL BATTLE DRESS, ARMED WITH G-3 RIFLES, WITH FIXED BAYONETS.

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2. CONSEQUENTLY, WHEN THESE TROOPS WERE ATTACKED BY A STONE-THROWING, CLUB-WIELDING CROWD AT JALLEH SQUARE, THEY HAD NO WEAPONS WITH WHICH TO RETALIATE OTHER THAN THEIR RIFLES. THEY WORE HELMETS, BUT CARRIED NO SHIELDS. WHEN THEIR RIFLE BURSTS INTO THE AIR FAILED TO STOP THE ADVANCING CROWD, THE RESULTING SLAUGHTER WAS INEVITABLE.

3. IT IS SIMILARLY INCONGRUOUS TO SEE THE CHIEFTAN TANKS POSTED CONSPICUOUSLY AROUND THE CITY, WITH THEIR ENORMOUS, LONG-BARRELLED CANNONS. IT IS HARD TO CONCEIVE HOW THEY COULD BE USED AS A CROWD-CONTROL INSTRUMENT EXCEPT TO THE ACCOMPANIMENT OF SIGNIFICANT PHYSICAL DESTRUCTION WELL BEYOND THE NEEDS OF ANY ANTICIPATED CIRCUMSTANCE.

4. THE INCONGRUITY OF IRANIAN MILITARY WEAPONRY FOR THE CURRENT SITUATION IS EXPLAINED BY THE FACT THAT IRAN, DURING THE PAST FIFTEEN YEARS WHICH HAVE SEEN CIVIL UNREST IN OTHER PARTS OF THE WORLD, HAS NEVER EXPERIENCED THIS PHENOMENON DOMESTICALLY UNTIL RECENT MONTHS. PUBLIC ASSEMBLIES HAVE USUALLY BEEN ABORTED BEFORE THEY BEGAN BY THE CONSTANT SURVEILLANCE OF SAVAK.

5. WHEN IRANIAN AUTHORITIES BEGAN TO RELAX SAVAK CONTROLS AND PUBLIC ASSEMBLIES BEGAN TO TAKE PLACE OVER THE LAST FEW MONTHS, IRAN BELATEDLY UNDERTOOK TO ACQUIRE A LIMITED NUMBER OF SHIELDS, HELMETS, AND TEAR GAS FOR THEIR POLICE FORCES. HOWEVER, IN THE ABSENCE OF ANY PROFESSIONAL

TRAINING ASSISTANCE FOR THESE FORCES, THE POLICE PROVED SIGNIFICANTLY INEPT IN THEIR NEW ROLES.

6. THE RESULT OF ALL THESE CIRCUMSTANCES IS AN UNEASY SITUATION IN WHICH A RENEWED OUTBREAK OF PUBLIC AGITATION COULD PREDICTABLY RESULT IN MORE VIOLENT DEATHS. THE KNOWLEDGE OF THAT FACT MAY SUCCEED IN INTIMIDATING POTENTIAL DEMONSTRATORS AND, INDEED, SOME SENIOR ARMY OFFICIALS ARE COUNTING ON THAT VERY FACT IN THEIR ASSURANCE THAT MARTIAL LAW WILL SUCCEED.

7. ON THE OTHER HAND, IT IS THE SHAH'S AND THE GOVT's ANNOUNCED INTENTION TO INTRODUCE LEGISLATION WHICH WILL PERMIT PUBLIC ASSEMBLY AND FREEDOM OF SPEECH IN THE NEAR FUTURE. THE TRANSITION TO THIS NEW FEATURE OF PUBLIC LIFE IN IRAN WILL REQUIRE A READJUSTMENT OF OFFICIAL IRANIAN THINKING ABOUT THE SUBJECT OF CROWD CONTROL.

8. I HAVE SPOKEN IN RECENT DAYS TO THE SHAH, TO THE CHAIRMAN OF THE SUPREME COMMANDER'S STAFF, GENERAL AZHARI, AND TO THE MINISTER OF THE INTERIOR ABOUT THIS PROBLEM. I HAVE DESCRIBED DEMONSTRATIONS I HAVE SEEN IN TOKYO WITH FAR GREATER NUMBERS OF PARTICIPANTS AND FAR GREATER PROVOCATION BY THE PARTICIPANTS WHICH WERE EFFECTIVELY BROKEN UP WITHOUT A SINGLE FATALITY. THEY ALL AGREE THAT IRAN MUST CHANGE ITS CURRENT POSTURE WITH RESPECT TO CONTROL OF CIVIL DISORDER. (GEN. AZHARI GAVE ME A GRAPHIC DESCRIPTION OF FINDING HIMSELF IMMOBILIZED IN HIS AUTO-

MOBILE ON THE FIRST NIGHT OF MARTIAL LAW BY A SOLDIER WHO HAD HALTED HIS CAR AND KEPT ITS OCCUPANTS UNDER THE MUZZLE OF HIS GUN FOR OVER TEN MINUTES UNTIL A POLICEMAN "SLOWLY" CAME TO CHECK IDENTITIES.)

9. THE NET RESULT SEEMS TO BE A CRASH EFFORT ON THE PART OF THE MINISTRY OF WAR TO OBTAIN NON-LETHAL CROWD CONTROL EQUIPMENT. AT THE MOMENT, FOCUS SEEMS TO BE ON BRITISH AND GERMAN EQUIPMENT WITH SOME GROWING INTEREST IN THE JAPANESE. I ASSUME THERE WILL CONTINUE TO BE THE USUAL DEMAND FOR PATT DERIAN'S TEAR GAS FROM THE USA.

SULLIVAN

September 18, 1978

Dear George:

Thank you for including me in the September 7 meeting. As promised, here are comments on issues raised there.

Iranian Character - Alternate Leaders

At the meeting, a number of conclusions were drawn on the basis of sweeping assumptions about the Iranian character and its unchangeability. There are, it is true, well-known negative characteristics in the Iranian personality such as cynicism, self-consciousness, and archaic individualism which are personally and socially negative. These have been described over and over again by commentators on Iran, and are catalogued in Zonis' book, The Political Elite of Iran. (I hope that sometime soon you will be able to read the last chapter of this book -- only 11 pages -- if you have not already.) Some of the speakers in the meeting seemed to think that the only effect of these characteristics is to strengthen the Shah. However, that is only part of the story, the importance of which is rapidly ebbing. Iranians have always been intensely and unashamedly aware of these defects and now resent the way in which the Shah's method of rule reinforces them. It is a cliche of both standard academic literature on politics in Iran (Bill, Zonis, Cottam, Binder, Jacobs), and of the common conversation of Iranians themselves, that the Shah's system of control and governance uses and depends on the failings in the Iranian characters thereby strengthening them. The Shah himself admits as much in Mission for My Country. This way of governing associates the Shah in the minds of Iranians with what they most dislike in themselves, continually generating profound and continuing resentment against him. It has done much to prevent him from being accepted (as he yearns to be by his people) as the supreme nationalist. Furthermore, many Iranians believe that the same defects on which the Shah capitalizes politically also seriously retard economic development, education, social respectability, and the growth of modern consciousness. Their awareness of these vices, and the way in which the Shah plays on

them, continually builds up a sense among aware Iranians that the Shah's regime anomalously seeks forced-draft economic modernization through profoundly reactionary governing methods which endanger the country's future politically and as a society.

This feeling is particularly strong among those groups -- businessmen, professionals, which could provide alternate leaders. The conventional wisdom is that such leaders are not to be found because those who might become leaders are co-opted or otherwise neutralized by the Shah's carefully playing on the Iranian personality. This is only partly true. Iran has the normal (small) proportion that any nation may expect of brave, socially conscious and responsible men. Some of these men have found ways to live, and live reasonably well in Iran, outside but closely observant of the governing process, without losing their self-respect and sense of integrity. There are also those who, out of religious, political or professional principle, or for other reasons have openly opposed the Shah, such as the signatories of the Charter of 32, in actions which require considerable courage whatever the motives for them may be.

After the Shah, What?

Another feeling which underlies the current opposition is that the Shah's time in history was a real and important one for Iran -- which is now over. In this perspective, his system of government, which was necessary and important in pulling a fragmented people together and preserving their independence, now is seen as an obstacle to Iran's aspirations and the future development of all the important aspects of its national life. This may seem obvious and academic, but it has a double importance. First, it is a main source of the Iranian sense of impermanence about the Shah's regime which several people at the meeting noted -- the feeling that the Shah "will not last my life time." Second is the sense among a great many Iranians of all classes that there is nothing in their government except the Shah. This in turn comes from the perception that not only has he not established any structure of government which can survive a transition, but also that the monarchy as he conceives it will not be acceptable to most Iranians when he goes, nor will any other authoritarian government which tries to rule in his style. (This is one reason why I do not think a purely military takeover in succession to the Shah has much chance of stability or longetivity.)

This is why, in addition to the clear and pressing issue of human rights and rational development in Iran, continuing liberalization is so important to many Iranians and to us. The right kind of liberalization can make a start on a permanent framework for Iranian political life, and on some experience in using it. Otherwise, whoever succeeds the Shah will have to reorganize Iranian politics and government from the ground up, and do it in the center of a whirlwind of domestic fears and unleased emotions, and of outside pressures.

Sh'ism

The meeting may have left the impression that Sh'ism and the Shiite clergy are innately and totally reactionary. In fact, Sh'ism's formal indifferences to politics make it possible for its devoted followers to support many different forms of government. Sh'ism is inheritently nationalistic since it represents the adoption of Islam to the Iranians' desire to have a religion of their own not dominated by the Arabs. Furthermore, Sh'ism has a greater potential for adaptation and accommodation to new circumstances and governments than Sunnism because it holds that the Gate of Interpretation is still open, whereas Sh'ism in theory forbids theological interpretations not found in the Koran or the teachings of the Prophet. The Shah's repression of religion in Iran has made Sh'ism's predominant groups dogmatic and conservative in the course of defending themselves, just as Roman Catholicism has become in Communist countries. Even so, I see Sh'ism as conservative socially, but with an inherent anti-authoritarian bias politically. For this reason, in an Iran in which there is freedom of religion and religious organization and practice, and freedom to express religion convictions politically, I would expect that, as in Turkey and Israel, there would be one party devoted to conservative religious positions, particularly on social issues, and a number of other parties across the political spectrum to which devoted persons would belong without much sense of violating their religious beliefs or being opposed by their religious leaders.

Next Steps

The consequences of what has been described in this letter are that Iran is a country with very considerable economic development which is acutely underdeveloped politically. Iranians are totally and painfully aware of this.

This means that we have only two realistic possibilities to choose between. These are the turbulence of a country dynamically trying to work out its own permanent form of government, or the turbulence of a people struggling with regimes which do not understand or consciously reject the process of trial and error in achieving a lasting polity. If the Shah can bring himself to tolerate turbulence in the search for a permanent structure of government and the emergence of such a government which would have real power of its own, two things he has never been able to do in the past, then progress can begin while it is still in power. Accordingly, Carter's emphasis on continued liberalization in his recent telephone call to the Shah was right on target. We must consistently press for liberalization with the Shah so that Iranians, seeing this, will at least give some credence to the idea that we mean it and that we will be similarly insistent with future regimes. If the Shah really does proceed with free elections, political parties, a freer Majles, and a freedom of political expression, he will begin to rescue his country from its almost total political underdevelopment and hope of a reasonably stable future after him. This outcome would make up in some degree for all of our indiscriminate support to the Shah in the past, and offer Iran the best long-term chance to be a viable nation able and willing to play the role we hope for it in the Middle East.

Unfortunately, however, intermittent repression is much more likely, making it quite possible that the Shah will be removed in the next decade by assassination, coup, or irrestible population pressure. The best possible future government for us in these circumstances would be one dominated by an alliance between civilians and younger military officers. The worst would be a regime dominated by senior military officers. This is, however, the one we may be most likely to get initially, although I think there is a possibility of a move directly to civilian government which would have a good chance of success.

If a military government of older officers emerges at first there will be strong public and private pressures on us to embrace it unreservedly. These pressures must be resisted fiercely. Such a government would not last. It would be rent by internal factionalism and strongly opposed by civilians and younger officers. Its leaders would not know how to rule except by repression. It is extremely likely that younger officers and conscript soldiers would not shoot fellow Iranians to keep reactionary generals in power. Above all a very great majority of Iranians regard such a regime as certain to be much worse

than the Shah's. It is therefore critically important that we are never seen as encouraging such a regime, no matter in what straits the Shah finds himself, or what chaos initially succeeds him.

In the meantime, we must use the present episode, even if the Shah weathers it, to get it firmly established among ourselves that our need to know and understand Iran's internal political developments now permanently outweighs any damage we may do to the Shah, or to our relations with him, by being seen to be making our own independent assessment of those politics. Indeed, his awareness that we are doing this may well add weight to our encouragement of continued liberalization. At the same time, our identification with the Shah, particularly through such public events as arms sales and public statements should be discreetly but constantly cut back as far as it is consistent with our not being perceived as simply abandoning him.

Finally, it may be that some of the following actions have not yet begun. If so, I think that they should be started immediately:

A. Top priority must be given in both the Embassy and CIA to reporting on internal events and domestic politics in Iran. You know what is needed here far better than I, and we both know the excruciating difficulties of doing this. It may be worth nothing that the consulates should be given the mandate and resources necessary to get fully involved in this. Access is much easier outside of Tehran and many of the significant activities are going on where the consulates are.

B. There should be regular and systematic consultation with the academic community. Many academics have been calling the shots on Iranian politics much more accurately than we have. There are many unused resources here to use them, and these men and women should know that their advice is needed and wanted. This consultation, which should deeply involve ICA, should also include regular monitoring of publications. The materials so covered ought to include PhD theses. Many on Iranian matters noted in the American Political Science Association Journal appear to cover in depth matters on which we are particularly ignorant. The Middle East Institute should be regularly tapped for its expertise and tactfully encouraged to devote more of its resources to Iranian studies. The American Institute for Iranian Studies based at the University of

Pennsylvania and which apparently has been almost ignored by us is a very important resource. Academics who have worked in Iran on other disciplines, such as at *Harvard's Iranian Center for Management Studies*, should also be regularly conferred with.

C. Either through academics or directly, discreet contact should be established with Iranian exiles and their organizations in the US. For example, what do we know about the newly-established Committee for Human Rights in Iran which is apparently the American arm of the Charter of 32 group?

D. Commerce should be asked to assist in contacts with American businessmen, many of whom are remarkably perceptive and who frequently have unusual access.

I would be glad to talk over with you how these consultations might be organized. It will not be easy to overcome suspicion of us among private American groups interested in Iran, especially academics.

This has been a long letter. I hope it is useful. Please use it in any way that you wish. Please also let me know whenever there is any other way I can be helpful. Good Luck!

Sincerely,

John Washburn

Who is he?

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E.O. 11652: GDS

TAGS: NATO, CH, IR, PEPR

SUBJECT: POLADS REQUEST FOR EXCHANGE OF VIEWS ON IRAN

REF: USNATO 8337

1. MISSION MAY DRAW ON ITEMS IN CFR ISSUES 34, 35, AND 37 FOR EXCHANGE OF VIEWS ON SITUATION IN IRAN AT SEPTEMBER 19 POLADS MEETING. DELETE LAST PARA IN CFR 34 ITEM.

2. IN ADDITION, FOLLOWING UPDATE IS PROVIDED FOR SAME PURPOSE: THE GENERAL SECURITY SITUATION IN IRAN IS MUCH BETTER AS OF SEPTEMBER 18. THE TEHRAN CURFEW HAS BEEN REDUCED TO 11 PM TO 4:30 AM. IN TABRIZ, THE IRANIAN GOVERNMENT SAID, TERRORISTS DRESSED AS SOLDIERS ATTACKED A MILITARY PATROL; NINE KILLED. IN MOST CITIES SHOPS ARE BEGINNING TO REOPEN AFTER DEFYING MARTIAL LAW FOR ONE WEEK.

3. THE SHARIF-EMAMI GOVERNMENT RECEIVED A VOTE OF CONFIDENCE (176-10) IN AN EXTRAORDINARY SESSION OF PARLIAMENT, BUT THE SESSION WAS MARKED BY A LARGE NUMBER (74) OF ABSENTEES. THE GOVERNMENT DECLARED THAT MARTIAL LAW WILL BE LIFTED AS SOON AS THE SITUATION PERMITS AND THAT CORRUPTION WILL BE ENERGETICALLY PROSECUTED. THE MODERATE

RELIGIOUS LEADER SHARIATMADARI HAS ADMITTED SOME MARXIST INFILTRATION OF RELIGIOUS GROUPS. IN PARLIAMENT, THE GOVERNMENT TABLED EVIDENCE OF COMMUNIST INVOLVEMENT OF UNREST. SO FAR WE DO NOT RPT NOT HAVE EVIDENCE OF FOREIGN INVOLVEMENT IN IRANIAN TROUBLES AS SOMETIMES ASSERTED BY THE IRANIAN GOVERNMENT. THESE ARE SOME OF THE RELIGIOUS GROUPS MAY BE READY TO ENTER INTO A DIALOGUE WITH THE GOVERNMENT. THE RECENT EARTHQUAKE INVOLVING AT LEAST FIFTEEN THOUSAND DEATHS IS SUCH AN ENORMOUS DISASTER THAT ATTENTION AND EFFORTS OF BOTH THE GOVERNMENT AND THE POPULATION WILL BE DIRECTED TO MEETING THIS IMMEDIATE PROBLEM. THE POLITICAL IMPLICATIONS ARE UNCLEAR, BUT IF GOI RELIEF OPERATION IS CONSIDERED INEFFECTIVE, THIS WILL BE A SERIOUS ISSUE.

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TELEGRAM

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FROM	CLASSIFICATION	
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ACTION: SECSTATE WASHDC PRIORITY

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USLO PEKING
USCINCEUR

CONFIDENTIAL TEHRAN 09157

LIMDIS

E.O. 11652: GDS

TAGS: PGOV, PINR, PINS, PINT, IR

SUBJECT: IRAN AND THE SHAH: A ROCKY ROAD AHEAD

1. IN THE COURSE OF THE PAST SEVERAL DAYS, AND IN THE SHADOW OF A MAJOR EARTHQUAKE DISASTER IN EASTERN IRAN, THE NEW GOVT OF IRAN HAS RECEIVED ITS VOTE OF CONFIDENCE IN THE PARLIAMENT AS WELL AS PARLIAMENTARY APPROVAL FOR SIX MONTHS OF MARTIAL LAW. AN AIR OF CALM HAS BEEN RESTORED TO THE ~~CITY~~ CITIES, EXCEPT FOR MINOR INCIDENTS OF LAWLESSNESS, BUT THE SHAH AND THE GOVT FACE ENORMOUSLY

DRAFTING OFFICE	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
POL:GBLambrakis Sullivan:mam	9/21/78		AMB

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OPTIONAL FORM 150 (H)
(Formerly FS 413(H))
January 1975
Dept. of State

COMPLICATED PROBLEMS IN THE FUTURE.

2. THE GOVT NOW FACES THE COMPLICATED TASK OF ESTABLISHING ITS LEADERSHIP, CREATING SOME SENSE OF CONFIDENCE IN GOVT ITSELF, AND ACHIEVING A POPULAR CONSENSUS FOR ITS POLICIES. IN ORDER TO DO THIS, IT MUST MOVE CONVINCINGLY TO LIBERALIZE AND BROADEN ITS BASE SO THAT RESPONSIBLE POLITICAL GROUPS WITH DEMOCRATIC AMBITIONS CAN PLAY A ROLE IN THE RE PROCESSES OF GOVT. AT THE SAME TIME, IT MUST PLACATE THE MANY WHO HAVE LENT THEMSELVES TO A LEADERSHIP/WHICH HAS CALLED FOR THE OVERTHROW OF THE CURRENT REGIME. IF IT DOES NOT SUCCEED IN THE LATTER EFFORT, IT IS PREDICTABLE THAT THE LIFTING OF MARTIAL LAW AND THE RE-OPENING OF THE LIBERALIZATION PROCESS WILL RESULT ONCE AGAIN IN THE TURBULENCE OF THE RECENT PAST AND A REVIVAL OF THE SORRY CYCLE OF MILITARY SUPPRESSION. THE CONSEQUENCES FOR THE SHAH AND THE MONARCHY COULD BE OMINOUS.

3. THE SHAH HAS BEEN DIRECTING HIS LIBERALIZATION PROGRAM OVER THE PAST TWO YEARS ON LARGELY AN AD HOC BASIS. EVENTS THEMSELVES DETERMINED THAT TWO HISTORIC CONSTITUTIONAL ISSUES WOULD BE REOPENED: THE INDEPENDENCE OF THE PRIME MINISTER AND HIS CABINET AS REPRESENTATIVES OF,AND RESPONSIBLE TO, THE PARLIAMENT AND THE POWERS OF THE SHI'A ISLAMIC CLERGY AS TRADI-

TIONAL GUARDIANS OF THE PEOPLE'S RIGHTS AND EXPONENTS OF THEIR GRIEVANCES. BOTH ISSUES HAD PREVIOUSLY BEEN SETTLED IN THE SHAH'S FAVOR, ONE WITH SUPPRESSION OF MOSSADEGH AND RESTRAINT OF HIS SUCCESSORS IN THE 1950'S, THE OTHER WITH REPRESSION OF AYATOLLAH KHOMEINI'S MOBS IN 1963. OVER THE PAST SUMMER THE SHAH DEMONSTRATED THAT HE WAS WILLING TO YIELD SOME POWER TO A PRIME MINISTER AND PARLIAMENT AS PART OF THE LIBERALIZATION LEADING TO PROMISED FREE PARLIAMENTARY ELECTIONS NEXT JUNE. HE AND THE AMOUZEGAR GOVT SHOWED LESS WILLINGNESS OR ABILITY TO ACCOMMODATE THE SHI'A CLERGY OR TO RECOGNIZE THE AREAS OF POPULAR DISCONTENT WHICH THAT CLERGY MIGHT BE ABLE TO EXPLOIT.

4. CONSEQUENTLY, THE CLERGY USED CENTURIES-OLD TECHNIQUES TO CALL OUT THEIR MASSES. BOTH THE MODERATE CLERGY BEHIND AYATOLLAH SHARIATMADARI OF GHOM (WHO IS ALLIED WITH NATIONAL FRONT AND OTHER MIDDLE CLASS CONSTITUTIONALIST POLITICIANS WHO HAVE SOPHISTICATION BUT NO MOB APPEAL) AND, ON THE OTHER HAND, THE EXTREMIST COALITION OF FANATIC MOSLEMS LED BY AYATOLLAH KHOMEINI IN IRAQ (WHICH HAS REPORTEDLY BEEN PENETRATED AND IS ASSISTED BY A VARIETY OF TERRORIST, CRYPTO-COMMUNIST, AND OTHER FAR LEFT ELEMENTS) LAUNCHED STRONG APPEALS TO LARGE SECTIONS OF THE ECONOMICALLY DISADVANTAGED ELEMENTS OF SOCIETY WHO NURSE A WHOLE HOST OF ECONOMIC

AND SOCIAL GRIEVANCES. THESE ARE GRIEVANCES BROUGHT ON TO A CONSIDERABLE EXTENT BY THE FRUSTRATIONS, INEQUITIES, CORRUPTION, AND RISING EXPECTATIONS ENGENDERED BY THE SHAH'S PROGRAM OF ECONOMIC DEVELOPMENT AND WESTERNIZED SOCIAL REFORM SINCE 1963. SINCE THESE DISCONTENTED PEOPLE HAVE LITTLE TO LOSE AND SINCE THE MODERATE CLERGY HAD LITTLE GAIN TO OFFER THEM, THEY SOON LENT THEMSELVES TO THE MORE RADICAL LEADERSHIP OF KHOMEINI, WHO CALLED FOR THE OVERTHROW OF THE SHAH AND THE DESTRUCTION OF THE CURRENT SYSTEM.

5. THE GRIEVANCES WHICH MOTIVATED THIS EXTREMIST OPPOSITION ARE TO A LARGE EXTENT SHARED BY MANY POLITICIANS AND OTHER CITIZENS WHO SUPPORT THE SHAH AND WHO FEAR THE CHAOS WHICH WOULD RESULT FROM THE END OF THE MONARCHY. NEVERTHELESS, THE MODERATE LEADERS COOPERATED WITH THE EXTREMISTS TO SCARE MORE CONCESSIONS OUT OF THE SHAH, AND THE SHARIATMADARI CLERGY DID NOT DARE TO LET ITSELF BE OUTFLANKED ON THE LEFT AND LOSE MASS SUPPORTERS TO THE EXTREMISTS. THE NET RESULT WAS AN APPARENT COALESCENCE OF ALL STREAMS OF OPPOSITION IN ONE MASSIVE FIRESTORM DIRECTED AGAINST THE SHAH.

6. IN PRACTICE, AS INDICATED IN THE FOREGOING PARAGRAPHS, THE NATURE OF THE OPPOSITION IS NOT AS UNIFIED AS IT MIGHT APPEAR. MOREOVER, THE PROBLEM OF DEALING WITH IT

IS NOT AS SIMPLISTIC AS SOME HAVE SUGGESTED. FOR EXAMPLE, THERE ARE SOME WITHIN THE GOI, AND PARTICULARLY IN THE MILITARY, WHO BELIEVE THAT THE PROBLEM THEY FACE CAN BE HANDLED BY THE INCARCERATION OF OPPOSITION POLITICIANS AND LESSER MULLAHS AMONG THOSE WHO LEAD THE MALCONTENTS, ON THE GROUNDS THAT THEY ARE SUBVERSIVES. MORE SOPHISTICATED OBSERVERS, INCLUDING THE SHAH, RECOGNIZE THAT THE TOP RELIGIOUS LEADERS SUCH AS KHOMEINI AND SHARIATMADARI ARE ABOVE ARREST UNDER PRESENT CONDITIONS AND IN ANY CASE OTHER LEADERS WOULD SOON TAKE THE PLACE OF THOSE ARRESTED. RATHER, THE PROBLEM MUST BE MET BY ADDRESSING THE SOURCES OF DISCONTENT, WHILE GAINING TIME FOR GOVT PROGRAMS TO TAKE EFFECT.

7. AS PART OF THIS HOLDING ACTION, TO PLACATE THE DISCONTENTED, THE SHAH HAS AUTHORIZED A CAMPAIGN AGAINST PAST CORRUPTION FEATURING ARRESTS OF FORMER MINISTERS AND OTHERS YET TO COME. THE ULTIMATE RESULTS OF THESE ARRESTS--WHICH ARE ORGANIZED BY SAVAK UNDER MARTIAL LAW REGULATIONS EVEN THOUGH IT IS GENERALLY BELIEVED/~~XXXX

SUBORDINATES TO THE WOLVES AS A MATTER OF EXPEDIENCY WHEN HE HIMSELF HAS BEEN RESPONSIBLE FOR ALL MAJOR POLICIES UNDER EVERY GOVT IN THE PAST FIFTEEN YEARS OR MORE.

8. THE REAL ISSUE YET TO BE RESOLVED IS WHETHER, IN THE SHORT SPACE OF THE SIX MONTHS OR SO WHICH THE GOVT HAS ALLOWED ITSELF TO TERMINATE MARTIAL LAW AND PUSH THROUGH LIBERALIZING LEGISLATION, IT CAN CONVINCE THE IRANIAN PUBLIC THAT IT IS SINCERELY TACKLING THE CAUSES OF DISCONTENT AND PLACATE, ISOLATE, OR OTHERWISE PREVENT THE OPPOSITION FROM INITIATING THE MOB ACTION WHICH WOULD AGAIN THREATEN THE WHOLE ESTABLISHMENT EDIFICE. THE SHAH AND HIS BUREAUCRACY HAVE A MANDARIN MENTALITY WHICH WILL HAVE TO STRAIN ENORMOUSLY TO EMPATHIZE SUCCESSFULLY WITH THE MALCONTENTS.

9. MEANWHILE, THOSE POLITICAL LEADERS--WHETHER IN SUPPORT OF OR IN OPPOSITION TO THE CURRENT GOVT--WHO WISH LIBERALIZED EVOLUTIONARY CHANGE WILL HAVE TO EXERT THEMSELVES SIGNIFICANTLY IF THEY ARE TO ACHIEVE THE DEGREE OF POLITICAL ORGANIZATION REQUIRED TO BE SUCCESSFUL IN THE SORT OF FREE ELECTIONS WHICH THE SHAH HAS ORDAINED. AS OF NOW, MANY OF THEM HAVE ONLY THE LEAKIEST POLITICAL VESSELS WITH WHICH TO CONTEST THE ELECTIONS. THEY THEREFORE STAND THE RISK OF BEING SWAMPED BY THE ONLY APPARENT POLITICAL FORCE WHICH

CURRENTLY EXISTS IN IRAN--THE RELIGIOUS-POLITICAL-EXTREMIST OPPOSITION.

10. THESE, THEN, ARE THE CONDITIONS UNDER WHICH THE SHAH AND HIS NEW GOVT FACE THE IMMEDIATE FUTURE. THE FUNDAMENTAL STRUCTURE OF THE COUNTRY REMAINS INTACT, BUT THE TURBULENCE OF THE RECENT PAST, LIKE THE EARTH TREMORS WHICH CONTINUE TO TROUBLE THE EASTERN PROVINCES, ARE SYMPTOMS OF THE SORT OF DISRUPTION WHICH COULD POTENTIALLY OVERWHELM THIS SOCIETY. THE EMBASSY, IN SUBSEQUENT MESSAGES, WILL ATTEMPT TO ASSESS THE STRENGTH OF THE VARIOUS FORCES AT WORK, THE COURSES OF ACTION THEY MAY BE EXPECTED TO FOLLOW, AND THE INTERPLAY WHICH MUST BE ANTICIPATED.

SULLIVAN

DEPARTMENT OF STATE

AIRGRAM

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HANDLING	CLASSIFICATION	MESSAGE REFERENCE NO.
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TO: DEPARTMENT OF STATE

INFO: AMCONSULS ISFAHAN AND TABRIZ (VIA INTERNAL POUCH)

FROM: AMCONSUL SHIRAZ

DATE: 9/22/78

E.O. 11652: GDS
TAGS: PGOV, IR
SUBJECT: IRANIAN BUREAUCRATIC BEHAVIOR
REF:

In general, foreigners in Iran lead relatively sheltered lives when it comes to dealing with the local bureaucracy. Most are transients, and as such the services they require are limited. Beyond immigration matters and work permits, and perhaps such things as driver's licenses and customs clearances, they seldom have occasion to experience the full force of Iranian bureaucracy at work. Even in those areas where they do deal with Iranian government agencies the impact is frequently mitigated by intermediaries provided by the sponsoring company or organization whose job it is to cut through bureaucratic red tape. Nonetheless, it seldom takes foreigners more than a few days here to discover what Iran's national leaders only learned following eight months of civil unrest and scores of casualties--that bureaucratic arrogance and arbitrary, often seemingly irrational procedures in this country are a national scandal and a source of considerable popular discontent.

There would seem to be a number of reasons for the unresponsiveness of Iranian bureaucrats and the poor service they provide. Among them: 1) unqualified and inadequately trained personnel, 2) structural instability with regard to staffing, 3) no tradition of public

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DRAFTED BY:	DRAFTING DATE	PHONE NO	CONTENTS AND CLASSIFICATION APPROVED BY:
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service, 4) an organizational bias that favors vertical lines of communication, 5) a high degree of agency centralization, 6) timidity at the lower and middle levels and suspicion at the top, and 7) public perceptions of how bureaucracy works and the nature of public behavior engendered thereby. These aspects are considered further below.

Few Iranian bureaucratic entities have systematized recruitment and training programs. Most recruitment for government agencies is carried out through the placement of advertisements in newspapers and other publications rather than through drawing from a pool of candidates previously screened by means of an examing process. The advertisements simply specify the qualifications required for each position as determined by the State Organization for Administrative and Employment Affairs. Usually, relatively greater weight is given to educational attainment than to demonstrated practical knowledge or technical skills. Thus, an indiviudal may be required to possess an engineering degree, but his professional competence is not otherwise measured. Finally, while government service is no longer the exclusive domain of members of Iran's socially prominent families, family connections and parti bazi (influence) apparently do continue to be important in hiring, often weighing more heavily than other more objective factors.

Professional training in the Iranian bureaucracy is generally limited to the on-the-job variety. The educational qualifications specified by the State Organization for Administrative and Employment Affairs are usually assumed to encompus the general knowledge a job applicant requires for the position he is seeking. Thereafter, it is expected that he will acquire whatever specialized knowledge or technical skills may be required with work experience. Formal career development programs are almost totally lacking. While some degree of professional competence is usually a requisite for advancement, it is not the only factor nor even the most important. As in the case of hiring, parti bazi is often mentioned by bureaucrats themselves as a sine qua non for a successful government career. Only rarely are Iranian civil servants given specialized training. As a result, even senior bureaucrats often possess no more than a rudimentary knowledge of the laws and regulations that govern their work and they are thus inclined to make decisions on the basis of expediency as much as regulatory precedent. Inconsistency, and hence the widespread impression of bureau-

cratic arbitrariness, is the inevitable result.

All Iranian government agencies possess a general organizational framework (e.g., a ministry is divided into departments, divisions, provincial offices, etc.), but staffing of an agency in practice is often more a function of intra- and inter-agency power relationships than rationalized manpower requirements. If a particular minister is a dominent figure in the cabinet, he and his subordinates may try to take advantage of that fact to build empires. As a consequence, career civil servants may find themselves one day members of large staffs with very little in the way of defined responsibilities and another the only man in the office but wearing several hats, all depending on the waxing and waning fortunes of their parent organization and its leadership. Exacerbating this situation of instability within the personnel structure of Iranian bureaucracy is the tendency of senior government officials to insist on having their own people in key positions around them. A change at the top usually means numerous personnel changes on down the line. None of this is unfamiliar to American civil servants who have experienced the vicissitudes of changing administrations and cabinet secretaries, but the phenomenon's degree of severity is much more pronounced in Iran than in countries with relatively stable bureaucracies. The resulting insecurity among Iranian bureaucrats produces a tendency among them to neglect the public's interests in favor of their own.

Iran, like most pre-modern societies, has no tradition of public service. Formerly, government officials were expected to make their livings from exactions levied on the Iranian populace subject to their will. The attitudes such a system engendered are still much in evidence within the Iranian government service even though its members have long been paid from the national treasury. Most civil servants continue to view their relationship with the public as one of patron and supplicant. They see themselves as providing favors to people with no special right to the services they receive. This perception has produced a sense of superiority among them which often is indistinguishable from arrogance. Procedures, too, are not seen primarily as a way of providing services, but first and foremost as a means of exercising government power. The concept that a citizen has a right to a particular service is generally alien among Iranian bureaucrats, although they may be prepared to provide it so long as proper controls can be maintained. In such cir-

umstances, no thought is given to the citizen's convenience
ince administrative concerns are always seen as taking pre-
edence.

ranian government agencies seem to have great difficulty
ommunicating with one another below the highest levels.
llustrative of this phenomenon, directors general at the
rovincial level are often only able to talk officially
o one another through their respective ministers in Teh-
an. As society grows more complex in Iran this vertical
ias makes bureaucracy appear increasingly unresponsive
o public needs. Industries, for example, encounter pro-
racted delays in receiving necessary clearances for plant
xpansion from the various government agencies concerned
hich have few horizontal lines of communication.

his situation is reflected in and exacerbated by the highly
entralized nature of most Iranian government agencies.
ew offices outside Tehran have significant decision-making
uthority. Even the most routine matters must often be re-
ered to the capital where the ever-increasing workload
akes delays more and more prolonged. The decentralization
rogram is designed to alleviate precisely this problem,
it implementation has proven far more difficult than con-
eption. Efforts to share power run counter to a fundemen-
al law of bureaucratic nature and the system contains con-
iderable built-in inertia. Moreover, influential interest
roups, including elements of the public itself which fear
ome of the implications of dispersed power centers, have
lso resisted efforts to decentralize the bureaucracy.

ranian society, and its civil service as well, is permeated
a strong desire to avoid personal responsibility for any
tion that may subsequently be criticised as well as the
nviction that the world is basically a hostile place.
hese attitudes are reflected in extreme bureaucratic tim
lity at lower and intermediate levels and suspicion often
rdering on paranoia at the upper levels. Junior and middle
vel bureaucrats live in constant fear that any action they
ke may bring down upon them some powerful individual's
ath. The frequent consequence is referal of decisions to
e next highest level which often refers them to a still
gher level. This syndrome neatly mirrors many senior bu-
aucrats' anxieties; they want to have ultimate control over
eir subordinates' actions lest their own positions be
dermined by them. This characteristic of Iranian bureau-

cracy reinforces other aspects, such as the high degree of centralization, which result in the delays that have led to the bureaucracy's reputation for unresponsiveness.

Finally, the Iranian public itself bears significant blame for the poor service it receives from its bureaucrats in that any organization ultimately reflects the nature of the society which produces it. In this regard, one feature of Iranian behavior appears to be of special importance. Few Persians, it seems, have much appreciation of the importance of rational procedures as defined by laws and regulations. As one Western-trained Iranian civil servant put it, most Iranians believe they can always get their way if they just whine long enough. If visa applicants can be taken as a reasonably representative sample of Iranian society, that is a view with which consular officers at this post can readily identify. Many people here appear to be convinced that by pulling the right string or inveigling the right individual to make a personal appeal or simply pleading themselves with sufficient passion anything bureaucratic can be accomplished. Not surprisingly, Iranian civil servants, no less than consular officers, are susceptible to the temptation to resort to surliness in the face of the public's indiscipline and refusal to accept answers it does not want to hear.

Under such circumstances and notwithstanding Minister of State Manouchehr Azmoun's recent promise "that after years of unhappiness and dissatisfaction /the Iranian people/ can look forward to the fast elimination of unhappiness," meaningful improvement in the Iranian bureaucracy will not come overnight. Not only will the bureaucrats themselves have to develop radically different attitudes from those which have generally pertained heretofore, but the Iranian people have much to learn about the purpose of laws and regulations and the limitations these impose both upon the bureaucrats who implement them and the public which is subject to them. In the meantime, the lack of bureaucratic responsiveness is likely to continue to constitute a source of public discontent and hence a weakpoint in the Iranian social and political fabric.

TOMSETH

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DEPARTMENT OF STATE

AIRGRAM

File Pol 2-2

HANDLING	CLASSIFICATION	MESSAGE REFERENCE NO.
	CONFIDENTIAL	A-23

TO: DEPARTMENT OF STATE

INFO: AMCONSULS ISFAHAN AND TABRIZ (VIA INTERNAL POUCH)

FROM: AMCONSUL SHIRAZ DATE: 9/23/78

E.O. 11652: GDS
TAGS: PINT, IR
SUBJECT: POLITICAL ATTITUDES IN SOUTHERN IRAN

REF:

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SUMMARY AND INTRODUCTION: Recent conversations with a variety of people in southern Iran have revealed considerable unanimity as regards dislike for the regime headed by the Shah but little unity on other issues including the place of Islam. The discontent is undoubtedly profound, but, aside from students of the radical left and religious zealots of the radical right who advocate overthrow of the Shah and establishment of a republic, few people can agree on a constructive alternative to government as it has been practiced for the last 15 years. Calls for early elections free from manipulation are heard fairly frequently. However, thoughtful Iranians, even those whose dislike for the present regime is intense, concede that in the absence of constraints on who can run and under what conditions elections are likely to produce a Majles whose members will be incapable of uniting on any issue other than their grievances with past governments. Under such circumstances, it seems inevitable that despite lack of enthusiasm for his leadership, the Shah will continue as Iran's ultimate political arbitrator. END SUMMARY AND INTRODUCTION

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DRAFTED BY:	DRAFTING DATE	PHONE NO.	CONTENTS AND CLASSIFICATION APPROVED BY:
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It has been extremely difficult to find anyone in southern Iran with a good word for the Shah in recent days. Iran's population profile gives some indication why. Almost half of all Iranians have been born since 1963, the last time the country faced an economic or political crisis of significance. Almost two thirds have been born since 1953, the last time an alternative to the Shah's rule was a serious possibility. Few people among this group are impressed with comparisons of then and now, comparisons that have profound meaning for someone who has seen Iran transformed from a poverty-stricken country whose sovereignty was ignored by the great powers to one of the world's wealthier and more influential nations and who played a key role in that transformation. The post-1953 generation has been promised the millenium and its comparisons are made by that standard.

Even those old enough to remember the bad old days of 1953 and earlier have their grievances with the regime. These range from the secularization of the state to the arrogance of high government officials to the collapse of the real estate market to corruption to continuing (and often growing) inequities in Iranian society. The Shah and his advisors have not been unaware of sources of discontent such as those enumerated above, and have usually reacted to them. However, sometimes actions taken to alleviate pressures building in one area (e.g., controls on real estate speculation designed to curtail the number of overnight millionaires and close the gap between rich and poor) have created new pockets of unhappiness (i.e., among land owners, not all of whom by any means count their holdings in numbers of villages, who hoped to sell their properties for enough money to send their children to college or for a retirement nest egg). Other times the determination to modernize Iran has led to decisions (e.g., giving women the vote) which were known would be opposed (i.e., by religious conservatives).

Change always poses a threat to vested interests, but it does not follow that the changes the Shah has wrought in Iran were foreordained to produce the degree of opposition to his rule which is now so manifest among the Iranian populace. Rather, it would appear that the manner in which these changes were effected has often been a more fundemental factor in the reaction to them than the changes themselves. Iranians seem overwhelming to resent having been excluded from virtually all political decisions of the last

15 years. As one middle-aged Iranian, who says he remembers what it was like during Mossadeq's time, put it. "It bothered me less that the government decided to impose an exit tax on Iranians leaving the country than it did to have /former Minister of Information Darioush/ Homayoun announce the decision without going to the trouble of consulting the Majles whose members in accordance with the constitution are supposed to represent my interests in government." Another, a businessman, refering to government interference in the hours shops can be open, said: We Persians for the most part retain a 'hand-to-mouth mentality,' the heritage of the time when Iran was still a poor country. Small shopkeepers are thus inclined to maintain hours convenient to housewives whose habits are conditioned by the memory of a former day when they might not have known at noon when buying bread for lunch where the money would come from to buy the ingredients for dinner. In practice, we may not work more than the forty-hour week common in the West, but we do not like to be told by Harvard-educated bureaucrats who think they know better than we what is best for us how and when to work it."

Aside from their commonly shared unhappiness with their government, however, Iranians in southern Iran are deeply divided on most other issues. Rural people, for example, while they may be deeply religious, are generally uninterested in the agitation for the return of Ayatollah Khomeini which has taken place in many urban areas. They are inclined to view the issue as irrelevant to their major concerns--the weather, the availability of water, the price of wheat, etc. Recent arrivals from the countryside in cities where religious agitation has taken place, on the other hand and notwithstanding the attitudes of their rural relatives, have often figured prominently in such activities. The explanation for this seeming contradiction appears to lie in the trauma they experience in trying to adjust to urban life. Frequently, their religion is the only institution familiar to them in their new surroundings, and they are thus highly susceptible to the religious emotionalism that surrounds a cause such as Khomeini's.

The business community, too, is divided on the religious issue. The more fervent among its members have willingly closed their shops in protest against the government and in mourning for fallen martyrs, often at great financial loss. Others have usually closed as well, but often more

in fear of retaliation for not closing than in sympathy for the causes espoused by the ulema. They may take their religion seriously and dislike the regime every bit as much as the fanatics, but they are also concerned about their businesses and they resent the disruptions frequent closures bring.

Contempt for the Islamic fundementalists is perhaps even more profound than opposition to the regime among many members of the modernist element of society in southern Iran. An Ahwaz banker characterized those who had participated in religious demonstrations (and numerous bank trashings) in that city as "illiterate Arabs who had taken leave of their senses under the influence of religious leaders hardly less ignorant than themselves." A senior military officer in Shiraz described the clergy in general as the worst of Iranian society, lazy louts who entered religious schools for no more noble reason than to avoid conscription. An American-trained engineer at Shiraz's Iran Electronics Industries in comparing Reza Shah (whom he admires) to Ataturk concluded that the latter was a greater leader because he had gotten rid of all of Turkey's ulema whereas Reza Shah had made the mistake of leaving some alive. His mastery of historical fact might have been shaky, but he left no doubt about where he stood on the religious issue.

Lack of unanimity on the place of Islam is paralleled on secular political issues as well. Aside from those who have demanded the Shah's ouster and the establishment of a republic (a view which still seems to be confined to relatively small minorities on the extreme left and right in southern Iran), few Iranians seem to have considered alternatives to the kind of leadership he has provided. Critiques are usually limited to where he has failed with little consideration given to how past deficiencies might be rectified. There does seem to be a consensus that the present Majles and all those who have served in governments during the past 15 years are discredited. Accordingly, early elections free from government manipulation are frequently advocated.

Thoughtful Iranians, however, recognize that there is as yet little of the discipline required for orderly elections present in their country. Most of the parties and political groupings which have emerged in recent weeks are held together by no more reliable glue than the personalities of their leaders. Under the circumstances, these Iranians con-

cede that elections without limitations on who can run and the size of parties which can field candidates are likely to produce a Majles whose membership would be an assemblage of mini-parties incapable of uniting on any issue other than the inadequacy of past governments, hardly a viable alternative to the Shah.

In sum, Iran is confronted with a difficult dilemma. Many Iranians, if southern Iran can be taken as representative of the rest of the country, are dissatisfied with the character of the leadership they have, but they cannot agree on what they want in its place. Further, short of violent revolution and the imposition of a regime which in all likelihood would be every bit as autocratic as the Shah's, the Iranian people do not appear at this time to possess the self-discipline to find a way out of their predicament. Thus, it seems that by default the Shah will continue as the ultimate arbitrator of Iran's political future.

TOMSETH

COUNTRY TEAM MINUTES

Lon + (Consul

October 4, 1978

The Ambassador opened the meeting by offering his insights into the domestic political scene. The Government faced a tense political atmosphere this week due to three major incidents: the reaction to Khomeini's house arrest in Iraq; the recent rash of industrial strikes; and demonstrations in regions not subject to martial law. The Ambassador has seen the Prime Minister twice this week and these incidents were discussed. Ambassador Sullivan foresees opportunities for further unrest next week due to the opening of Parliament on Friday and the tentative resumption of University classes. The Ambassador will be meeting with both Mr. Ansary and Mr. Hoveyda, and will seek their views on current Iranian politics.

The Ambassador then raised a few issues from recent communications:

Secretary Vance had a good meeting with Foreign Minister Afshar. Mr. Afshar talked with the Iraqis in New York and it appears Iran's relations with Iraq have eased considerably.

-- The Ambassador heard that the Norwegians have pulled out of the Gas Deal. The Economic Section will investigate.

-- The Ambassador is somewhat concerned about our regulation governing the sale of POV's. Admin will advise on existing safeguards against profit-making on POV sales.

-- Many of our visitors continue to keep us in suspense as to the details of their travel and schedule plans.

The Section Chiefs then reported news from each of their operations:

Mr. Shellenberger said that registration for IAS language classes is beyond their wildest dreams (or nightmares). As a result, the teacher shortage problem has worsened. The Exhibition in Arts, Tehran-78, cancelled as is the deKooning Exhibition.

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General Gast introduced General Stone, the new Army Chief. General Gast reported that conscripts do not serve in the Imperial Guard, but may serve in the Logistics Brigade.

Mr. John Mills reported on the recent strikes. Bank Melli and the Telephone Company have settled, but NIOC is still an uncertainty. Mr. Mills predicted that the generous strike settlements are certain to have serious macro-economic implications because the new salary benefits will accrue to all civil servants.

Mr. Ryno noted that the rough final Trade Fair figures are quite satisfying. Most American Trade Fair participants found it a beneficial undertaking.

Mr. Lambrakis commented on the political situation. He noted that many new political parties are being formed. There is a new editor at the Farsi-language Kayhan. It appears the former editor was unseated due to the prominent treatment Kayhan gave to Khomeini's situation in Iraq.

Mr. Neeley reported that there is much concern and discussion in agricultural circles over food price increases.

Mr. Adler indicated that he plans a trip to the Tabas area with a USGS team. The group is trying to secure a helicopter to permit a viewing of the fault line.

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DEPARTMENT OF STATE

Washington, D.C. 20520

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MEMORANDUM

October 4, 1978

Rec'd 10/23

TO : S/P - Mr. Paul Kreisberg
S/P - Mr. Arnold Raphel
S/P - Mr. Peter Wilson
S/P - Mr. Philip Kaplan

FROM : Theodore H. Moran, Consultant to Policy Planning Staff

SUBJECT : Pessimism about Iranian Stability

SUMMARY: A young, well-placed Iranian official (see tearsheet) recently back from Tehran, paints a grim picture of the underlying instability in the country in the aftermath of the martial law decree and the theater fire. Usually upbeat, he was visibly shaken by the fragility of the regime. Here are his observations, and his analysis of what kinds of policies are needed to restore stability over the medium term.

1. The fragility of the regime in Iran is dramatically underestimated in the Western press, and by senior U.S. officials, (examples named). The West's need for a strong Shah blinds Americans to the fact that the Iranian system, with its vast ministries, modern armaments, and showcase industries is a hollow shell.

2. During the end of August and first two weeks in September, the highest members of the Iranian government (Cabinet level and above) were totally paralyzed, pacing behind shuttered windows like nobility waiting for the summons of an unknown Robespierre to the guillotine.

3. Everyone in Tehran talks nervously about a coup from the army. The immediate danger, however, comes not from some upstart faction in the armed services, but from the loss of legitimacy for the entire regime that comes from loyal troops refusing to fire upon (or act decisively against) common people chanting verses from the Koran as they demonstrate. This undermines the authority of the Shah more surely than the plottings of colonels and (unlike the latter) cannot be guarded against or planned for.

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4. The stresses in Iran come from the cultural shock of modernization, the exaggerated expectations about economic development, and the reality of too little social infrastructure. The proximate cause of Iran's troubles lies in the vast influx of migrants from the countryside to the overpopulated fringes of the cities.

5. The short-term method of responding to popular complaints has been to promise more (e.g. the Minister of Education promises 18,000 houses for school teachers). This is the worst outcome imaginable since a) it is impossible to achieve; and b) it stimulates the demands of others with complaints.

6. Any real long-term program for stability in Iran will have to massage the egos and power structure of traditional Islam as it responds to the real (Western) demands for sewers, roads, houses, and services; will have to reduce or reverse the internal migration to the cities (the recent limitation of taxes on agricultural production was a step in the right direction); and will have to build a political party for support among those middle class and lower middle class groups that are benefitting from the government's programs. As things now stand, those people who support the Shah are not at all able to act. Indeed, in retrospect, the failure to flesh out the Resurrection Party may go down in history as the Shah's biggest failure.

7. The disappearance of the Shah would be a catastrophe, not so much because a Qadafi might take power and organize a cohesive radical government but because there would be no other leader with the charismatic force or the brute strength to govern Iran coherently. An Iran without the Shah would probably see coup after coup, with waves of unrest draining the nation's strength, and eliminating the capacity for any creative regional role.

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Attachment: copy to P. Kreisberg only

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E.O. 11652: GDS
TAGS: PGOV, PINR, PINS, PINT, IR
SUBJ: THE SHARIF-EMAMI GOVERNMENT: AN ANALYSIS AND PROJECTION

REF: TEHRAN 9157

SUMMARY: THIS IS THE FIRST OF A SERIES OF CABLES WHICH WILL ANALYZE IMPORTANT FACTORS INVOLVED IN THE IRANIAN INTERNAL SITUATION AS PROMISED IN REFTEL. THE SHARIF-EMAMI GOVT OF ACCOMMODATION BEGAN LIFE UNDER HANDICAP OF MARTIAL LAW AND IS STILL STRUGGLING WITH THE CENTRAL PROBLEM OF STILLING WIDESPREAD CIVIL UNREST LED BY IRAN'S RELIGIOUS LEADERS AND FUELED BY A WIDE SPECTRUM OF POLITICAL AND ECONOMIC COMPLAINTS. IT STUMBLED BADLY BY INTRODUCING

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THREE DRAFT LAWS FOR FREEDOM OF THE PRESS, OF UNIVERSITY ADMINISTRATION, AND OF ASSEMBLY WHICH WERE IMMEDIATELY CRITICIZED AS MORE RESTRICTIVE THAN THE SITUATIONS THEY WERE SUPPOSED TO CORRECT. IT IS NEVERTHELESS DETERMINED TO SOLDIER ON, HAVING MADE CONCESSIONS TO THE RELIGIOUS LEADERS (WITH WHOM IT IS AT PRESENT TRYING TO NEGOTIATE), APPROVED LARGE WAGE INCREASES TO SILENCE STRIKING CIVIL SERVANTS AND OTHER GOVERNMENT WORKERS, AND PRESSED ITS ANTI-CORRUPTION CAMPAIGN IN RESPONSE TO PARLIAMENTARY AND PUBLIC DEMANDS FOR PUNISHMENT OF PROFITEERS. FAILURE IN THE NEGOTIATIONS WITH RELIGIOUS LEADERS WOULD ALMOST CERTAINLY BRING EARLY DEMISE OF THIS GOVT. EVEN SUCCESS IN REACHING A MODUS VIVENDI WITH THEM, HOWEVER, DOES NOT IN ITSELF GUARANTEE GOI LONGEVITY. THE GOI'S DEMONSTRATED LACK OF FORESIGHT, PLUS THE PROBLEMS OF SERVING A DIFFICULT MASTER IN THE SHAH AND COORDINATING WITH A SEPARATE MARTIAL LAW ADMINISTRATION, HAVE CREATED A HOST OF SIDE PROBLEMS. THESE MIGHT CONTINUE TO GENERATE UNREST WHICH THE RELIGIOUS LEADERS CANNOT CONTROL. ANY GOI RESORT TO REPRESSIVE MEASURES INVOLVING BLOODSHED THEN COULD FORCE THE RELIGIOUS LEADERS TO RENEGE ON THE MODUS VIVENDI. END SUMMARY

1. FACED BY INCREASINGLY LARGE SCALE PROTESTS UNDER THE LEADERSHIP OF RELIGIOUS CONSERVATIVES, THE SHAH DISMISSED THE AMOUZEGAR TECHNOCRAT GOVT AND ON AUGUST 27 APPOINTED

A NEW GOVT UNDER SHARIF-EMAMI. ITS MISSION WAS TO CALM THE UNREST AND ACCOMMODATE ITSELF TO RELIGIOUS AND OTHER ELEMENTS OF THE POPULATION INVOLVED IN WIDESPREAD DEMONSTRATIONS. THE NEW CABINET REPRESENTS A POTPOURRI OF VARIOUS SKILLS AND INTERESTS. ITS OVERALL AGE IS CONSIDERABLY GREATER THAN IN AMOUZEGAR'S CABINET, THERE ARE FAR FEWER MINISTERS TRAINED IN THE U.S., AND

THERE ARE SEVERAL WHO IN EARLY LIFE WERE TUDEH (COMMUNIST) PARTY MEMBERS. SHARIF-EMAMI HIMSELF IS A FORMER P.M. AND SIX OF HIS MINISTERS, MAINLY IN ECONOMIC AREAS, ARE CARRY-OVERS FROM THE PREVIOUS CABINET. THE REST ARE MAINLY ELDER STATESMEN WHO PROMISED GREATER SENSITIVITY TO POPULAR GRIEVANCES. IN A SYMBOLIC GESTURE, THE MINISTRY FOR WOMEN AFFAIRS WAS ABOLISHED AND THE ENDOWMENT FUND (THE OLD ISLAMIC VAQF) WAS RAISED TO CABINET LEVEL UNDER KANI, A MINISTER WHO IS VERY POPULAR WITH THE RELIGIOUS SECTOR. SHARIF-EMAMI HIMSELF, COMING FROM A RELIGIOUS FAMILY, WAS REPUTED TO HAVE STRONG RELIGIOUS TIES, AS WAS MINISTER FOR EXECUTIVE AFFAIRS AZMOUN. NEVERTHELESS, THE GOVT REMAINS ONE OF SHAH LOYALISTS, THE PRIME MINISTER HIMSELF BEING KNOWN AS PERSONALLY VERY CLOSE TO THE SHAH. MOREOVER, THE RELIGIOUS CREDENTIALS OF SHARIF-EMAMI AND AZMOUN ARE WIDELY QUESTIONED AMONG ORTHODOX RELIGIOUS, NON-RELIGIOUS BEHAVIOR CIRCLES, WHO CONSIDER THEIR REPUTATIONS FOR CORRUPTION AND/ TO HAVE TARNISHED THEIR RELIGIOUS BIRTHRIGHTS.

2. REPORTS PUT OUT AT THE TIME OF SHARIF-EMAMI's PRESENTATION OF HIS GOVT TO THE SHAH SUGGESTED THE NEW PRIME MINISTER HAD DEMANDED AND GOTTEN A GREAT DEAL MORE INDEPENDENCE THAN AMOUZEGAR OR HOVEYDA BEFORE HIM, AND THAT HE WOULD BEGIN A TRANSITION TO STRONGER MINISTERIAL GOVT. INDEED HE MOVED FAST IN ATTEMPTING TO DEFUSE THE MOST EXPLOSIVE ISSUE, GRANTING SEVERAL CONCESSIONS IN THE RELIGIOUS

FIELD. THE HEGIRA CALENDAR REPLACED THE PAHLAVI IMPERIAL CALENDAR (ONLY INTRODUCED A FEW YEARS AGO), IRAN'S FEW GAMBLING CASINOS FOR THE VERY RICH WERE CLOSED, A FEW PROMINENT MEMBERS OF THE BAHAI RELIGION -- AND OTHERS SUSPECTED OF TIES TO THIS GROUP DETESTED BY ORTHODOX SHIISM (SUCH AS HOVEYDA HIMSELF) -- WERE DISMISSED FROM HIGH OFFICE, AND THE SHAH'S TWIN SISTER, PRINCESS ASHRAF -- against whom MANY COMPLAINTS ARE AIRED -- DISAPPEARED FROM NEWS COVERAGE. INDEED MANY PROMINENT MEMBERS OF THE ROYAL FAMILY (WHO ARE WIDELY ACCUSED OF CORRUPTION) HAVE LEFT THE COUNTRY. ONLY THE QUEEN HAS SHARED RECENT PUBLIC APPEARANCES WITH THE SHAH.

3. UNFORTUNATELY, SHARIF-EMAMI'S ELAN WAS SEVERELY JOLTED WHEN LARGE DEMONSTRATIONS IN TEHRAN AT THE END OF RAMAZAN ALARMED THE ARMY, GOVT, AND SHAH TO THE POINT THAT MARTIAL LAW WAS INSTITUTED IN 11 IRANIAN CITIES (ADDED TO ISFAHAN, THE ONLY CITY WHERE IT ALREADY EXISTED). THE ARMY MET ITS FIRST CHALLENGE FROM DEMONSTRATORS IN TEHRAN'S JALEH SQUARE ON SEPT 8 BY KILLING LARGE NUMBERS OF THEM. THIS "MASSACRE" IMMEDIATELY TURNED EVEN THE MODERATE RELIGIOUS LEADERSHIP AGAINST SHARIF-EMAMI'S GOVT, AND HE HAS BEEN TRYING TO LIVE DOWN THAT INCIDENT SINCE.

4. ANOTHER MAJOR PROGRAM LAUNCHED BY SHARIF-EMAMI IS THE ANTI-CORRUPTION CAMPAIGN. AS PRACTICED TO DATE IT HAS CONSISTED OF PUBLIC ARRAIGNMENT OF THE FORMER MINISTER OF HEALTH (UNDER HOVEYDA AND AMOUZEGAR GOVTS) AND CHARGES

LODGED AGAINST A HANDFUL OF LESSER HIGH OFFICIALS, AS WELL AS THE NAMING OF SEVERAL LARGER BUSINESSMEN AS TARGETS OF SPECIAL INVESTIGATIONS (ONE OF WHOSE PARLIAMENTARY IMMUNITY WAS REMOVED). THERE IS TALK OF A LIST OF PEOPLE TO BE INVESTIGATED GOING INTO THE THOUSANDS AND HUNDREDS HAVE REPUTEDLY BEEN WARNED NOT TO LEAVE THE COUNTRY. NEVERTHELESS, MINISTER OF JUSTICE BAHERI (HIMSELF A TUDEH COMMUNIST PARTY MEMBER IN HIS YOUTH) HAS WARNED THAT LEGAL PROCESSES WILL TAKE TIME AND PROOF OF WRONG-DOING WILL NOT BE EASY TO PRODUCE IN MANY CASES. MEANWHILE, A LEGAL CASE HAS BEEN PUT WITH THE MILITARY COURT SYSTEM AGAINST FORMER SAVAK CHIEF GEN. NASSIRI, [redacted] NEW COURT MINISTER ARDALAN (WHO HAS REPLACED HOVEYDA) HAS ANNOUNCED WITH HEAVY PUBLICITY THAT THE SHAH HAS BARRED MEMBERS OF HIS FAMILY FROM INOLVEMENT IN BUSINESS DEALS. ALL THIS HAS SO FAR BEEN RECEIVED WITH NOTICEABLE SKEPTICISM BY THE PUBLIC AT LARGE, AS WELL AS THE IRANIAN PARLIAMENT, WHERE EVEN MANY PARLIAMENTARIANS WHO ARE CONSIDERED CONSERVATIVES AND LOYAL TO THE SYSTEM HAVE BEGUN TO ATTACK PAST GOVT PRACTICES ALLEGING WIDESPREAD CORRUPTION AND INEFFICIENCY IN THE GOI BUREAUCRACY.

5. IN THE POLITICAL FIELD, THE SHARIF-EMAMI GOVT HAS MOVED VIGOROUSLY BUT CLUMSILY. IT DELIBERATELY BROUGHT THE COLLAPSE OF THE SINGLE GOVT PARTY, THE "RASTAKHIZ" (RESURGENCE) PARTY, AND HAS ENCOURAGED ITS REPLACEMENT BY A MULTIPLICITY

OF POLITICAL GROUPS AND PARTIES IN PREPARATION FOR THE FREE ELECTIONS PROMISED BY THE SHAH NEXT JUNE. THE PRESS HAS BEEN ALLOWED TO BECOME ASTONISHINGLY FREE AFTER YEARS OF MUCH MORE STRINGENT, EXPLICIT OR IMPLICIT, CENSORSHIP. LIVE RADIO AND TV CARRIED IN FULL MANY STRONG ANTI-GOVT SPEECHES FROM PARLIAMENT FOR THE FIRST TIME IN RECENT MEMORY. A FEW DAYS OF CENSORSHIP BY MILITARY LAW AUTHORITIES OCT 12-14 HAS RESULTED IN AN UNPRECEDENTED "CHARTER" GUARANTEEING FREEDOM OF THE PRESS FROM SHARIF-EMAMI ON BEHALF OF HIS GOVT. *MEANWHILE*, THE GOVT INTRODUCED IN RAPID SUCCESSION THREE NEW DRAFT LAWS TO GOVERN FREEDOM OF THE PRESS INDEPENDENCE OF THE UNIVERSITIES, AND FREEDOM OF ASSEMBLY. UNFORTUNATELY THE FIRST AND THIRD OF THESE BILLS HAD BEEN DRAFTED BY THE OUTGOING GOVT, AND NONE OF THEM WAS SHOWN TO MEMBERS OF THE CONSTITUENCY MOST AFFECTED. THUS THERE WAS AN IMMEDIATE OUTCRY FROM MEMBERS OF THE PRESS, FROM *UNIVERSITY FACULTIES AND* ADMINISTRATORS, AND FROM LAWYERS AND PARLIAMENTARIANS, ALL ALLEGING THAT THESE BILLS WERE IN FACT MORE RESTRICTIVE THAN THE SITUATIONS THEY WERE SUPPOSED TO BE CORRECTING. CONSEQUENTLY, WHATEVER THE DETAILED MERITS OF THESE CRITICISMS MAY BE, ALL THREE BILLS RAN INTO TROUBLE IN PARLIAMENT AND HAVE BEEN RECALLED FOR FURTHER DISCUSSION AND EMENDATION. THIS DID LITTLE TO IMPROVE THE ALREADY SHAKY CREDIBILITY OF

THE NEW GOI

6. THE GOI'S EFFORTS TO AVOID ROCKING THE BOAT IN THE ECONOMIC SPHERE RAN INTO STORMY WEATHER WHEN STRIKES BROKE OUT AMONG A VARIETY OF CIVIL SERVANTS, OIL FIELD WORKERS AND OTHER INDUSTRIAL WORKERS. IN THE SPIRIT OF ACCOMMODATION, THE GOVT HAS SPEEDILY GIVEN IN TO ALMOST ALL ECONOMIC DEMANDS WITH THE RESULT THAT WAGES HAVE VIRTUALLY DOUBLED IN MANY AREAS, [redacted] AND MORE CIVIL SERVANTS ARE GOING ON STRIKE TO GET SIMILAR BENEFITS. THE WAGE INCREASES TO CIVIL SERVANTS WILL LIKELY BE FOLLOWED BY INCREASES TO EMPLOYEES OF PRIVATE COMPANIES. THUS AN INFLATIONARY CYCLE HAS BEEN FUELED DESPITE THE PARTIALLY DEFLATIONARY EFFECT THAT THE GOVT EXPECTS TO GET FROM CUTTING THE DEFENSE BUDGET AND INSTITUTING OTHER LARGE-SCALE ECONOMIES SUCH AS A FREEZE ON FUTURE PROCUREMENT OF NUCLEAR REACTORS.

7. ALL OF THESE ERRORS AND REVERSES, COMPOUNDED BY PARLIAMENTARY AND PUBLIC CRITICISM, HAVE NATURALLY BROUGHT CONFLICTS WITHIN THE CABINET, ITSELF A DISPARATE BODY OF PEOPLE. DESPITE UNHAPPINESS BY THOSE IN CHARGE OF THE ECONOMIC MINISTRIES, AND OTHER REPORTED PERSONAL ANIMOSITIES, ONLY TWO RESIGNATIONS HAVE OCCURRED TO DATE, THAT OF THE MINISTER OF HEALTH, WHO WAS IMMEDIATELY REPLACED, AND, ON OCT 12, THE SCIENCE AND MINISTER OF HIGHER EDUCATION (WHOSE RESIGNATION IS NOT YET PUBLIC). A FEW MORE RESIGNATIONS CANNOT BE RULED OUT,

PARTICULARLY IN VIEW OF THE SCATTERGUN APPROACH OF PARLIAMENTARY AND OTHER CRITICS WHOSE ALLEGATION OF INEFFICIENCY AND CORRUPTION COULD EXTEND TO SOME OF THE PRESENT INCUMBENTS AS IT ALREADY HAS TO MANY OF THEIR PREDECESSORS. NEVERTHLESS, THE SHAH IS DETERMINED TO CONTINUE WITHOUT A CHANGE IN PRIME MINISTER FOR THE PRESENT, AND WE EXPECT STRONG EFFORTS TO CONTINUE TO BE MADE MUTING CABINET CONFLICTS.

8. THE MOST CRITICAL IMMEDIATE PROBLEM FACING THE GOVT IN MID-OCTOBER IS SOMEHOW BRINGING AN END TO WIDESPREAD DISORDERS WHICH HAVE AFFECTED SCORES OF IRANIAN CITIES AND TOWNS AND CAUSED CASUALTIES AMONG DEMONSTRATORS AS WELL AS POLICE FORCES. AN IMPORTANT ELEMENT IS THE EXTENSIVE UNREST AMONG UNIVERSITY STUDENTS, OFTEN SUPPORTED BY FACULTY MEMBERS, WHICH HAS EXTENDED RECENTLY TO MANY SECONDARY SCHOOLS AND THEIR TEACHERS. THE GOVT'S STRATEGY IS TO NEGOTIATE QUIETLY WITH THE BLOC OF MODERATE RELIGIOUS LEADERS AND OPPOSITION POLITICIANS AND MEANWHILE CONTAIN THE DISTURBANCES, IN THE HOPE THAT SUCH A DEAL WILL ISOLATE TROUBLEMAKERS WHO COME FROM MORE EXTREMIST GROUPS. INDIRECT EFFORTS ARE REPORTEDLY BEING MADE TO PROPITIATE EVEN AYATOLLAH KHOMEINI. SHOULD THESE EFFORTS BE SUCCESSFUL THEY WILL GO A LONG WAY TOWARD ACCOMMODATING SIMILAR GOVT DIFFICULTIES WITH UNIVERSITY FACULTIES AND THE MAJOR STUDENT GROUPS. THE GOVT'S OBJECTIVE IS OBVIOUSLY TO AVOID HAVING TO EXTEND MARTIAL LAW, AND IN FACT TO END

IT AS SOON AS PRACTICABLE PRIOR TO NEXT SUMMER'S ELECTIONS.

9. THUS, AFTER NEARLY TWO MONTHS [redacted] IN OFFICE IN A PERIOD OF UNPRECEDENTED TURMOIL, THE SHARIF-EMAMI GOVT HAS TURNED IN A SPOTTY PERFORMANCE AND, ALTHOUGH THE SHAH APPEARS READY TO KEEP IT IN OFFICE FOR THE NEAR FUTURE AT LEAST, IT IS STILL VIEWED AT LARGE AS A TRANSITIONAL BODY OF BRIEF TENURE. ITS [redacted] ERRATIC PERFORMANCE IS NOT SURPRISING. THE NATION HAS BEEN SHAKEN TO ITS VERY ROOTS IN THE LAST FEW MONTHS. NO PREVIOUS GOI IN RECENT MEMORY INHERITED SUCH A COMPLEX AND VOLATILE SET OF PROBLEMS. MOREOVER, THE PRIME MINISTER HAS HAD TO CONTEND INSIDE THE ESTABLISHMENT WITH AN INTROSPECTIVE, ALOOF, AND OFTEN ARBITRARY SHAH AS WELL AS AN ANGRY, IMPATIENT, AND AT TIMES RASH MILITARY HIGH COMMAND. THAT HE CONSEQUENTLY HAS TO WORK WITHIN NARROW PARAMETERS IS STARKLY APPARENT.

10. IF SHARIF-EMAMI IS SUCCESSFUL IN ACHIEVING A MODUS VIVENDI WITH THE RELIGIOUS LEADERSHIP THROUGH HIS CURRENT NEGOTIATIONS, HE MAY HAVE TAKEN A MAJOR STEP TOWARD AN EVENTUAL CALMING OF THE BODY POLITIC. THIS EFFORT CLEARLY HAD TO BE HIS FIRST PRIORITY. HOWEVER, HIS GOVT HAS SINGULARLY DISTINGUISHED ITSELF BY A FAILURE TO LOOK AHEAD TO THE CONSEQUENCES OF ITS HASTY AND AD HOC ACTIONS. BY ATTEMPTING TO PLACATE VARIOUS SEGMENTS OF THE NATION WITH THE QUICK FIX -- SUCH AS THE LARGE PAY RAISES, THE ILL-

CONSIDERED PIECES OF LEGISLATION, ETC.—THE GOI HAS UNWITTINGLY CONTRIBUTED TO STIRRING UP A NUMBER OF OTHER HORNETS NESTS. THESE COMPOUND THE GOVT'S ALREADY CONSIDERABLE PROBLEM OF COORDINATING WITH THE SHAH'S MOODS AND THE ARMY'S ACTIONS, AND COULD HELP UNDERMINE WHATEVER THE GOVT MIGHT ACHIEVE IN THE NEGOTIATIONS WITH THE RELIGIOUS LEADERS.

11. A FURTHER QUESTION IS WHETHER THE RELIGIOUS LEADERS THEMSELVES CAN FULLY CONTROL OR CHANNEL THE WIDESPREAD DISORDER. THEY HAVE BEEN LEADING THE UNREST THIS YEAR; IT IS YET TO BE PROVEN THAT THEY CAN REVERSE THE TREND IN VIEW OF THE MANY DISPARATE [redacted] ELEMENTS OF THE POPULATION NOW AGITATING FOR THEIR OWN SEPARATE INTERESTS. SHOULD THE RELIGIOUS LEADERS PROVE ONLY PARTIALLY EFFECTIVE IN THIS REGARD, THE GOVT WOULD HAVE TO FACE UP TO CONTINUING DISTURBANCES WHOSE FORCEFUL REPRESSION MIGHT INVOLVE BLOODSHED -- AND THUS FORCE THE RELIGIOUS LEADERS BACK ON THE WARPATH TO PRESERVE THEIR POSITION WITH THE POPULATION.

SULLIVAN

IRAN NIE

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DISCUSSION

I. BACKGROUND TO CURRENT UNREST

Iran in 1978 has been experiencing political turmoil and civil unrest more serious than at any other time in Shah Mohammed Reza Pahlavi's 37-year reign. Ironically, the unrest that threatens the Shah has been born largely of his success in promoting social change and economic development in Iran's traditionally oriented society. This change has been so rapid that it has outpaced the ability of the country's social, economic, and political institutions to adapt. It was the confluence of serious problems growing out of each of these areas, rather than any single adverse or unpopular development, that precipitated the escalating street demonstrations that led to the declaration of martial law in September 1978. Despite martial law, popular unrest continues, and has in fact assumed new forms such as widespread labor stoppages and student boycotts.

Social Ills

The ~~substantial~~ rapid modernization of Iranian society in the past 15 years has brought substantial benefits to Iran's population, as in ~~literacy~~ education and medical services, but has also created serious dislocations that have contributed directly to civil unrest. The Shah's White Revolution, formally launched in 1963 and later designated the Shah-People Revolution, introduced fundamental but incomplete changes to the basic ~~nature~~ structure of Iranian society, including land ownership, rural development and water distribution, the court system, education and health services, and the role of the clergy and women. To the disruptive

impact of these reforms has been added the social effects of rapid, virtually forced, industrialization, [redacted] the accelerated emergence of a modern middle class, and [redacted] increasingly rapid urbanization [redacted].

Those who now challenge the Shah and seek to reform or replace Iran's political system are drawn from groups that have benefitted from the transformation of society, notably the growing numbers of educated youth, as well as from the disadvantaged groups that have not, especially unskilled and unemployed migrants to the urban areas. Both categories, if only through exposure to the media, have partially assimilated modern, secular ideas and values that have left them ill-equipped to live in a harsh, impersonal urban environment, and have prompted them to challenge all authority, including that of the Shah and traditional Islam. This last development has served to reinforce the already strong predisposition of the politically influential religious leaders, the mullahs, to oppose modernization.

Economic Difficulties

Until recently the steady and rapid growth of Iran's economy seemed able to assure material progress sufficient to override the ill effects of growing social problems. Now, however, the Iranian government and people are aware that the economic benefits already won are not well distributed, that future benefits will not come as easily, and that the overall quality of life may not be improving, even in the areas where the economy has grown most quickly. Because the ~~expectations~~ aspirations of virtually all classes have outpaced their material gains,

moreover, the political impact of the economic situation has become much more troublesome than the economic reality itself, which almost certainly is that the typical Iranian enjoys a higher standard of living now than at any time in the past. Complaints center on inflation, corruption, and the increasing uneven distribution of wealth, as well as on such concrete needs as housing, food, transportation, employment, and essential public services.

The economic difficulties that contributed to the current unrest result primarily from the very ambitious industrialization drive of the early and mid-1970s. Based on ~~projected~~ anticipated oil revenues (prices having quadrupled in 197 and 1974) the 1973-78 five-year investment program, for example, included $70 billion in industrial development projects. During the period 1970-76 Iran enjoyed average annual real GNP growth of over 10 percent, but it also suffered related problems: shortages of skilled labor and some commodities; overtaxed storage, port, and inland distribution facilities; serious bureaucratic delays; growing inflati (24 percent in 1977); and the relative neglect of agriculture and the privat sector. The boom came to a halt in 1977 -- when real GNP growth fell to les than three percent and more modest goals were adopted -- but the political damage, especially among urban workers, small businessmen, and artisans, ha already been done.

Political Impasse

Iran's political system has proved unable to respond effectively to th surge of demands on it that has grown out of the country's myriad social and economic problems. Paradoxically, the Shah and the government are now suffe ing the consequences both of his long-time authoritarian rule, which has all little opportunity for meaningful popular participation, and of his recent ~~[redacted]~~ political liberalization, which has permitted the expression of grievances that has led to serious unrest. The liberalization program, unde

for the past two years, has in fact allowed considerable freedom for the press, has permitted formation of political parties outside the official Rastakhiz Party, and has promised free elections in 1979. In addition, the program has been accompanied by a significant reduction in the use of police state methods by SAVAK and other agencies to monitor and control political activity. As a result of this lifting of constraints, political expression by a wide variety of groups, loyal and disloyal, has mushroomed beyond the ability of the country's enfeebled official institutions to cope. Neither the people nor the State are yet prepared to accept the duties and responsibilities of a democratic political system.

The Rastakhiz Party has virtually collapsed in this turmoil, and the Majlis (parliament) -- although much more active as a forum for debate of the country's problems than at any time since the 1950s, and therefore of some use as a safety valve -- has failed to provide effective solutions to or leadership out of the political uncertainty. The burden therefore has fallen wholly on the Shah ~~[and on the new and generally weak government of Prime Minister Jafar Sharif Emami]~~ to balance the need for public order with the need for a political settlement. Senior military leaders have been pressing the former; the civilian opposition has been demanding the latter.

The civilian opposition mounting the challenge contains two main elements: the leftist successors to the National Front of the 1950s, now cooperating to a limited extent under the name Iranian Freedom Seekers Liberation Movement; and the conservative Shia religious community. The nationalists draw strength from the urban middle and upper class intelligentsia, and oppose authoritarian government generally, whereas the religious opposition is supported by the lower and lower-middle classes, and opposes primarily the

reformist policies of the Shah that threaten the status of religion in the country. In addition, the organized opposition includes two terrorist groups -- the People's Strugglers, which draws its membership from the reli opposition; and the People's Sacrifice Guerrillas, which is leftist oriente and directed and recruits among university students -- and the Tudeh (Comm Party. The religious leaders, especially such figures as exiled Ayatollah Ruhollah Khomeini or Ayatollah Shariat Madari from the holy city of Qom, ha great influence with and can quickly mobilize the masses, but in the past they have demonstrated only a limited ability to organize themselves and their followers. The leftist parties and terrorist groups are better organized, but command a smaller following. Leaders of the several opposit groups perceive the need to work together, but their widely differing tacti and goals (discussed below) have made effective cooperation impossible.

II. NEAR TERM OUTLOOK

The period up to mid-1979 is likely to prove critical in determining the ability of the Shah to preserve the powers of the Pahlavi dynasty and Iran's existing political system in even a weakened form functioning as they have in the past. The Shah in this time frame will need to demonstrat his determination and ability to protect civil order, for although martial law could be extended beyond its scheduled expiration in March 1979, to do would further weaken his position by implicitly acknowledging failure to reestablish stability and confidence. Additionally, the Shah has promised the quadrennial elections to the Majlis due by early summer 1979 will be h and will be free. Making good on this pledge will require unparalleled concessions on the part of both the monarch and his principal opponents. the Shah succeeds in meeting these challenges, he will have won himself a respite; if he fails, his position will be progressively undermined.

Enforcing Martial Law

The Shah and the government will face major difficulties in attempting to maintain civil order in the coming months even under martial law. Although relative stability has been maintained since September in Tehran and the eleven other cities where martial law has been instituted, civil disturbances and terrorist incidents have spread throughout the country ~~to several provincial towns~~, labor stoppages have shut down a great many public and some private sector enterprises, and student boycotts have delayed the opening of most universities. Ironically, the government's success in restoring order in these circumstances will turn in large part on the continued willingness of its more moderate opponents to counsel restraint to their more radical co-religionists and political associates. Government representatives have been consulting with selected religious leaders and civilian politicians, attempting with some success to play on their interest in avoiding anarchy and in ensuring controlled change and continued basic stability. This tactic will not end the disturbances or satisfy the critics, but it may buy time and prevent further solidification of the opposition while the government seeks to implement reforms.

Should still more serious disorders recur, the monopoly of force held by the Iranian armed and security forces [redacted] theoretically provides them the capability to prevent the disturbances from growing out of control, either in the immediate future or in 1979 if an extension of martial law becomes necessary. Although normally not well trained for riot control, these forces have been provided special equipment and limited additional training, and will be able to protect the regime but only as long as they remain loyal and determined to do so. The military at present is supporting the regime and is prepared to defend it with

force, but it is clear there are degrees of loyalty and support among its personnel.

Senior officers have the most at stake in the regime, are the most conservative politically, and tend to be the most loyal to the Shah. It was they who convinced the Shah to declare martial law, however, and they would be the most tempted in extreme circumstances to translate their frustrations with continued unrest and the troubles of the civilian government into demands for a military government or a military coup. Although we have less information concerning the attitudes of junior officers and enlisted men, the latter in particular are drawn largely from the same disadvantaged groups as are the demonstrators. There is therefore less certainty, if public security broke down, that these elements of the military would long obey orders to fire on demonstrators solely to protect the Shah and a government appointed by him. Of the several military units available to enforce martial law, the Imperial Guards, now deployed in Tehran, the Special Forces Brigade, and the Airborne troops are considered most reliable by the Iranian government.

Calming the Opposition

The security situation will finally be quieted, if at all, only follow significant concessions by the Shah and the government over and above what they have already offered. These concessions will be necessary in all areas social, economic, and political. Even sweeping concessions will not ensure continued calm, however, for there is an almost universal tendency among Iranians, and certainly among the political and religious opposition, to

interpret any concessions as signs of weakness that should be exploited rather than as positive elements of political settlement. The Shah and the government therefore will need to couple well timed and well defined concessions with the judicious exercise of sufficient authority and force to intimidate those who, equating lenience with weakness, would further challenge the regime.

The demands being pressed by the several opposition groups vary widely in terms of their substance, the spirit in which they are made, and the likelihood of their acceptance by the regime. The Shia clergy, who are leading the most effective opposition, also differ among themselves. The most influential leader, the exiled Ayatollah Khomeini, has for years called for the overthrow of the Shah and the establishment of a theocracy; thus there is virtually no chance that the Shah or any secular government can reach a settlement with him. More moderate religious figures in Iran, including the well known Ayatollah Shariat Madari, demand a reduced role for the Shah and the effective implementation of existing but heretofore ignored constitutional provisions for the review of legislation by a committee of theologians who would pass on its compatibility with Islamic tenets. Although there is no chance that such a body would be allowed a veto power, there probably is some room for a compromise solution. Regardless of their personal rivalries and differences over ultimate goals, Shia religious leaders are united in their demand that the Shah halt his social modernization programs, which they believe have had a degenerating, secularizing effect on traditional Islamic society.

Civilian politicians -- notably those affiliated with the National Front, but also those leading the small independent parties being formed in

anticipation of the 1979 elections -- for the most part are demanding a sharp reduction in the role of the Shah and the establishment of a constitutional monarchy with a prime minister independent of the Shah. Generally leftist oriented, these politicians are pressing for greater civil rights, an end to corruption and privilege, and a more independent foreign policy, including a loosening of Iran's ties to the US. This group is supported by a significant portion of the modern middle class, but does not have the widespread, fanatical following of the mullahs. This amalgam of civilian oppositionists is not opposed in principle to the Shah's program of modernizing Iran's society and economy, and stands to gain the most from any expansion of political liberalization. The Shah and government therefore have a better chance of arranging an accomodation with this group than with any other element of the opposition.

There is no likelihood that the current regime can find any common ground with the country's two terrorist groups or with the Tudeh Party. All want to depose the Shah; the Communists and the People's Sacrifice Guerrillas would install a secular Marxist government, the People's Struggle apparently favor the theocracy called for by the radically conservative Shi leaders. The Iranian security services over the years have sharply limited the effectiveness of these radical groups, with the result that they have not been able to mount a concerted attack on the regime, even though they are in contact with one another and share some overlapping membership. These groups maintain clandestine organizations, however, that may enable them in the future to capitalize more effectively on civil disorder, especially through the use of terrorism.

The Shah has already made a number of concessions in his effort to
wl civil unrest and elicit the tolerance of moderate religious and political
raders. In the area of society and religion, he ~~has~~ appointed a prime minister
Sharif-Emami) who enjoys good relations with Shia leaders, dismissed some
(considered by Shia to be an heretical group)
~~old-line~~ government officials who were members of the Bahai sect, abolished
he cabinet post for women's affairs, elevated responsibility for the religious
ndowment fund to cabinet level, closed gambling casinos, reverted from the
-called Pahlavi calendar to the ~~Hegira~~ Islamic calendar, and opened private nego-
ations with the religious leaders. To meet economic demands, the government
to
~~has~~ settled numerous strikes in public sector enterprises on generous
rms -- increased wages, housing allowances, pensions and the like -- and ~~has~~
dicated its intention to cut back spending on defense and nuclear programs
favor of projects directly affecting the masses of the people, including
using, agriculture, transporation, and sanitation. In the political field,
e regime ~~has sought to underscore the virtues of~~ pledged that the Shah's liberalization
ogram ~~and has pledged that it~~ promised the release of all political prisoners, will continue, circumscribed the activities
the royal family, launched a vigorous anti-corruption program, and affirmed
e freedom of the press, the right to assembly, and the independence of
e universities. The Shah ~~has~~ also allowed marginally greater latitude to
Sharif-Emami
e ~~current~~ government than was enjoyed by its recent predecessors. When these measures failed to
violence, a military government was brought in.
None of Iran's basic problems will be solved in the few months that remain
fore the 1979 elections are due, yet it is during this period that the Shah

most badly needs to protect a measure of public order and political confide
We believe that he still has a chance of doing this, and of induci
participation in the elections by the moderate opposition, but only if the
government continues to implement substantial concessions. These would includ
concrete evidence of the government's intention to improve the economic lot
of the common man, to protect or enhance the prerogatives of the mullahs an
the role of Islam, to lift martial law as scheduled, and to allow unfettered
political activity in the pre-election period, and probably the replacem
of the current government with one more independent of t

Impact on Foreign and Defense Policy

The unrest in Iran during 1978 has had no significant impact on the country's
relations with its neighbors, including its most important northern neighbor, the Soviet Union, Iranian officials have occasionally alleged
that the USSR has actively backed dissident groups in Iran, but we have no
independent evidence to confirm this, and the Iranian security services have
privately acknowledged that the disturbances have been homegrown. The Soviet
look on as the Shah an opponent who uses Iran's political, financial, and
military might to frustrate Soviet regional goals, [redacted], but they
[redacted] have been disinclined to become directly involved in the
events in Iran lest such involvement jeopardize the currently good bilateral
economic relationship and acceptable political ties that exist between Tehran and Mosc
Soviet interests probably would suffer a short term setback if the Shah were overthr
and succeeded by a reactionary military or religious government, but might also
[redacted] that such a development would usher in a period
of instability that in time would facilitate the expansion of Soviet influen

Iran and in the Persian Gulf region. Concerned with Iran's domestic
oblems, the Shah is likely in the near term to take great
re to avoid any changes or difficulties in his relations with the Soviets.

This preoccupation with internal developments will also prompt Iran
seek continued correct relations with its primary regional rivals,
(also with)
q and Afghanistan. The reconciliation reached with Iraq in 1975 has
lured well, and the Iraqis are in any case not likely to seek to take
vantage of Iran's current difficulties. Although the Iraqi regime is
ologically opposed to the Shah, its apprehension about Soviet activities
the area
, and its concern
ut the attitudes and behavior of the half of the Iraqi population that is
a, incline Baghdad to prefer a continued role for the Shah to the
in Iran
ertainties of political chaos or the emergence of a reactionary religious
military government. Possessing virtually no capability to influence events
Iran and busy consolidating its own power, the leftist regime of
in Afghanistan
sident Taraki is also not likely in the near term to initiate problems
with Iran.

already
Iran's military capabilities have been
ected, at least minimally, by the demands of enforcing and administering
tial law. The Imperial Guard, the Special Forces, and some airborne troops
deployed in Tehran, and virtually all units around the country have been
wn on for troops and equipment to supplement local police forces. This
as well as
ersion, psychological physical, almost certainly has had a detrimental
ect on readiness levels and morale, and may have had a limited impact on
oat capabilities as well. These problems are not likely in the near term,

however, to reduce significantly Iran's overall military superiority over Iraq or in the Persian Gulf, nor are they likely to stimulate any review of Iranian security policy in these areas. A decision in the interests of economy to postpone indefinitely or cancel the future purchase of sophisticated military equipment, especially the projected large numbers of F-14 and F-16 aircraft and sizable quantities of ground force equipment, would not impact on overall military capabilities until at least the early 1980s but by the mid-1980s would begin to reduce Iran's capabilities relative to both Iraq and the USSR.

Iran in fact [redacted] will cut back or delay purchases of military and ~~possibly~~ industrial equipment from the US as a result of economic difficulties growing out of the current unrest, but this is likely to be a limited retrenchment that will not impact on the broader relationship. ~~Some~~ Economic difficulties presumably will incline Iran again to push for moderately higher oil prices, but price policy is not likely to become tied in any more direct way to near term political developments. Despite their perennial suspicions that the US is involved in all of Iran's domestic affairs, official Iranians consider a continued close relationship with the US, and American backing for the Shah, to be essential in a period of political uncertainity. If the Shah follows through with his current plan to pursue implementation of his liberalization program, serious difficulties over human rights and other bilateral political issues are likely to be avoided.

III. LONGER TERM PROBLEMS

Iran faces several basic problems [redacted] that will place important constraints on the country's longer-term options in domestic and foreign

policy whatever the fate of the Shah and the present government. The direction Iran goes in the early 1980's in fact will be determined in large part by perennial realities deriving from four principal problem areas:

-- economic growth and declining oil production;

-- domestic tensions between modernization and traditionalism, and between liberalization and authoritarianism;

-- Iran's role in the Persian Gulf region and beyond;

-- international orientation and dependence on the US.

Economics and Oil

Iran's basic economic problem is that the country's crude oil productive apacity is now approaching its peak, and will begin to decline, probably n the early 1980s. At the same time, large and probably growing sums will e required to finance continued diversification of the economy and to upport even reduced military and nuclear programs. Beyond this, substantial ew expenditures are certain to arise as the government seeks o meet growing popular demands for economic gains.

Iran's crude oil productive capability is 6.8 million barrels per day (4/d) n 1978. Sustainable capacity may rise to 7 million b/d by 1980, but will ecline thereafter, almost certainly falling to 6 million b/d -- and perhaps ibstantially less -- by 1985. The rate of decline will depend on the success of massive and costly gas injection program that is intended to maintain reser- oir pressures and facilitate crude output in the major oilfileds. We consider iat the entire volume of Iran's 43 billion barrel proved reserves probably .11 be exploitable over time with the widespread emplacement of desalting

units at the oilfields and as a result of an extensive well and equipment maintenance program. An additional 17 billion barrels of probable reserves might be recovered using natural gas injection, although this would be at a high cost.

With oil output falling, any Iranian government will come under growing pressure [redacted] to increase oil prices to finance ongoing programs and to cover increased imports. If there were no oil price increase until 1980, for example, Iran's current account would be in deficit in that year. In the more likely circumstances that oil prices rise at about the same rate as Iran's import prices and oil production diminishes gradually to 5.5 million b/d by 1985, Iran's current account will go into substantial deficit in 1982 (figure 1). If real oil prices were to rise about five percent a year over the next several years, on the other hand, Iran might be able to maintain a current account surplus through 1985.

Iran's $13 billion in official reserves and $6 billion in official non-reserve assets will enable it to borrow on favorable terms for development projects, and borrowing is expected to increase substantially. The country has no other ready solution to its growing foreign payments problem in the period through the mid-1980s, however. Natural gas production (from reserves of 500-600 trillion cubic feet, second in size only to those of the USSR) will rise substantially in the next few years, but will not replace oil as a major foreign exchange earner. An active program to attract foreign investment has recently enjoyed limited success, but it will falter unless political stability is quickly restored.

As a result of these difficulties, GNP for the next several ...rs is likely to grow at a modest rate of only four to seven percent ...nually, and little progress is likely to be made in restructuring the ...nomy. Despite the current emphasis on the need to diversify industry, ... example, this sector will constitute only a slightly larger proportion ...NP in 1985 than it did in 1977 (figure 2). Serious domestic constraints ...ll persist as a result of the generally inadequate infrastructure, the ...rtage of skilled labor and technical personnel, the lack of productivity ... the private sector and agriculture, and the inflation that will be further ...mulated by the economic concessions now being granted to quiet popular ...est.

In the next few years Iranian policy makers will ~~are obliged to take at least the first steps to~~ shift resources away from the recently favored military and ...lear programs to such fundamental needs as transportation and agriculture. ...ess significant changes in priorities are made, for example, the proportion ... Iran's food requirements produced domestically is likely to fall from the ...rrent 75 percent to as low as 60 percent, necessitating a manifold increase ... payments for food imports and price subsidies. On the political side, ...rientation will be essential to forestall further unrest as popular expecta-...ns are deflated by reduced economic growth. In the coming period of ...eling or declining oil production, therefore, this will entail [redacted] reduc-...n in the 28 percent of annual budget expenditures that now goes to defense. ...h a reduction would leave Iran still able to finance [redacted] arms purchases, ... not on the scale of the 1970s.

Domestic Tensions

The disorientation of Iran's society and political system that has created formidable near-term problems for the Shah will not soon abate. Te will persist for many years -- under any government, with or without the Sh between the forces of modernization and those of tradition; and between the forces of liberalization and those of authoritarianism. The two conflic are entwined but distinct; the Shah continues to agonize, for example, over whether his strong commitment to modernizing Iran can best be pursued throu authoritarian or liberal policies.

There is much in Iranian history to predispose both the ruler and the ruled to exercise and to expect authoritarian behavior. There exists no tradition of the orderly transfer of authority, [redacted] there has been no real experience with democratic forms, and there is little feeling of Iranian nationalism, even though the first Persian empire was founded more than 2500 years ago. The modern idea of a nation-state arrived late in Ira as an importation from Europe, and did little to inspire Iranian politicians to transcend the common virtues of independence and self-aggrandizement in the interests of the general welfare. This reluctance was also reinforced historically by the great physical and cultural diversity of the country, and by the long succession of alien rulers.

There is in Iran, on the other hand, an established tradition of a strong ruler at the head of an authoritarian government, and of general obeisance to any authority that manifests its will with force. The experie of the current Shah, for example, superficially suggests that political stability in Iran is best assured by authoritarian government, and that peri

of the greatest political unrest arise when the ruler, for whatever reason, shares authority, as during the Mosadeq crisis of 1951-53, or attempts to introduce additional freedoms, as with the liberalization program of the mid-1970s. In fact, although the political behavior of Iranians will change only slowly, the popular appetite for participation in government has been sufficiently whetted by such factors as exposure to the media and Western values, education, and urbanization, that no government will have the option of turning back permanently. This conflict between authoritarianism and liberalization is so fundamental that it is almost certain over the next several years to cause continued instability, and therefore major problems for either the Shah or an alternative military or civilian regime.

The related cultural dichotomy that will ensure continued disorder in Iranian society is the tension between modernization and traditionalism. The Shah has been the chief proponent of rapid modernization, but the goals of the program are supported also by the bulk of the military leadership and by the secular politicians, many of whom in other respects are opponents of the Shah. Modernization as promoted by the Shah has focused on land and economic reforms, women's rights, education and health, and rural development. With progress in these areas, moreover, have come other fundamental changes, especially rapid urbanization, the alteration of the traditional class structure, and the general, perhaps irreversible, secularization of society. These, too, have proved socially and political disruptive.

The inability of Iranian society to accommodate successfully to these social changes stems in large part from the long-standing and pervasive influence

of religion and religious leaders. Iran is distinguished from all other principal Islamic states in that its population adheres overwhelmingly to the heterodox Shia branch of Islam. Although the Shia faith (eight percent of all Muslims) serves in part to unify Iran's two large cultural groups, Persian and Azarbaijani, it also provides the devout with a mindset and a leadership that is fanatically opposed to modernization. Shia Islam is not merely a religion; rather it is an all encompassing religious, economic, legal, social, and intellectual system that controls all aspects of life, and the sect's leaders, unlike their counterparts in Sunni Islam, are believed to be completing God's revelations on earth.

The tens of thousands of Shia mullahs, although not well organized politically, have more direct and regular contact with the masses of Iranians than do government or party officials. Because for years the mullahs have seen their economic, judicial, administrative, and social prerogatives circumscribed by successive governments and the forces of modernization, the mullahs are now using their influence to check this trend. Their challenge now is to the Shah, but for at least the next several years they will retain sufficient strength to make similar demands on any military or civilian regime in which they themselves are not heavily represented. We do not foresee any likely circumstances in which a government controlled by religious leaders would come to power, although religiously based political parties may emerge. If meaningful elections are held, either in 1979 or thereafter, politicians will find it useful to appeal for support from the clergy.

Regional Role

Geography and history together have ensured that Iran for the indefinite future will face certain difficult constraints in its relationship with its regional neighbors. Strategic, economic, political, and cultural factors all distinguish Iran's interests from the often competing interests of the Arabs to the West or the Afghans and Pakistanis to the East. Iranian leaders of any political stripe will find their options in regional foreign and defense policy limited by the need to protect the country's territorial integrity and oil routes, and by their interest in balancing the anti-Persian outlook and policies of neighboring states.

Iran's most immediate foreign policy concern is to ensure Iranian hegemony in the Persian Gulf region, a goal dictated by apprehension about Arab radicalism and the vulnerability of Iran's oil fields and shipping lanes. In pursuit of this goal, Iran has sought correct bilateral relations with the States it sees as most likely to threaten this hegemony -- the USSR, Iraq, and Saudi Arabia -- and has tried to interest the Arab Gulf states in a regional collective security arrangement. Deepseated Arab distrust of Persian ambitions has precluded any such multilateral agreement, and almost certainly will continue to do so, although the Arabs individually have been willing to normalize relations with Iran.

Iran and Iraq have observed scrupulously the provisions of the Algiers Accord of 1975 that ended Iran's involvement in the Kurdish rebellion and delineated the two states' common border, and bilateral relations are likely

to remain stable for the next few years. This stability is a result primarily of the apprehension Iraqi leaders have of Iran's military strength and political influence, and their concern about Soviet activities in the area. Iran, for its part, is grateful that Iraq currently is neither meddling in Iran's domestic problems nor attempting actively to subvert the smaller conservative Arab regimes in the Gulf. Saudi Arabia's determination to preserve its sphere of influence on the Arab side of the Gulf, its more conservative policy on oil prices, and its apprehension about developments inside Iran and about the policy toward Saudi Arabia of a possible post-Shah government are likely to preclude significantly closer ties with Iran [redacted]. The two states' shared anxiety about perceived Soviet and radical Arab threats probably will lead them to minimize any contentious bilateral issues, however.

Iran's defense policy in the Persian Gulf region is aimed at creating a preponderant force capable of deterring or making costly an attack from any quarter, and able to project Iranian power abroad, especially in the northwest Indian Ocean. If current plans for the acquisition of additional military equipment are implemented, these objectives are likely to be substantially achieved by the mid-1980s as the Iranian armed forces, already the largest and best equipped in the Gulf, increase their superiority over the other littoral states. If Iran for economic reasons cuts back sharply or delays indefinitely its purchases of sophisticated military equipment, however, especially F-14 and F-16 aircraft and major ground force equipment, the margin of its superiority over Iraq will be reduced significantly in the mid-1980s.

Iran's present military superiority over Iraq rests primarily on the strength of its Air Force, which has more high-performance aircraft, better pilot training, a greater airborne ECM capability, and ordnance such as laser-guided bombs and TV-guided missiles that are unavailable to Iraq. The Iranian Navy also is far superior to that of Iraq; it could easily close the Gulf to Iraqi shipping, and could attempt small amphibious operations. The two states' ground forces are more nearly balanced, however, with each side possessing different advantages in terms of equipment and capable of incursions into the other's territory. The disposition of ground forces (figure 3) and the greater mobility of Iraqi forces could in fact give Baghdad a substantial numerical advantage along the border during the initial stages of an attack.

A program of naval expansion now underway will, (if pursued into) the 1980s, further strengthen Iran's ability to project its forces into the Indian Ocean and onto the Arabian peninsula. Despite this accretion of military power, however, we estimate that Iran will continue to act in a restrained manner consistent with its current policy. Iran would be likely under any foreseeable government to intervene with its forces to control security problems among the smaller states on the Arabian Peninsula only if invited to do so or if tacitly approved by the conservative Arabs, especially Saudi Arabia -- as was the case when Iran intervened in the Dhofar War in Oman in the mid-1970s -- and would move to seize and control shipping lanes only in response to a direct threat to Iran's own security.

The distrust that characterizes relations between Iran and Afghanistan is virtually certain to deepen over the next few years as a result of what Iran considers Afghan President Taraki's steady movement toward a closer

relationship with the USSR. Either the Shah or a military government probably would provide covert support to Afghan dissident groups if they perceived an opportunity to undermine the leftist government in Afghanistan, but owing to Iran's domestic problems and apprehensions about possible Soviet reaction, would be not likely to interfere blatantly or directly. On the diplomatic level, Tehran will seek continued correct relations with Kabul in the hope of checking the growth of Soviet influence in Afghanistan. To protect against a longer term deterioration in Afghanistan or Pakistan, however, Iran over the next few years will take steps to improve its military posture in the eastern border area. Iran's limited forces in the east at present are sufficient to defend against any likely military threat, but they have little capability to project power beyond Iran's borders.

International Orientation

Iranian leaders of all but the most radical leftist or terrorist groups share an apprehension about Iran's geopolitical position. They see Iran as surrounded not only by basically unfriendly or unreliable area states, but also by a superpower, Russia, that is determined over the long term to undermine Iran's regional influence and internal stability. As a result of this perception and the extensive ties that Iran consequently has developed with the United States, no sharp reorientation of Iranian policy vis-a-vis the superpowers is likely in the period through the mid-1980s.

The vigorous anti-Communism of the Shah and of most senior Iranian political and military leaders grew out of the Soviet occupation of Iran during and after World War II, and out of the difficult early years of the Shah's rule when the Soviets were seen as the principal threat to his role and to the

state's territorial integrity. Fears of Moscow's intentions in the intervening years were sustained by Iran's perception of Russia's interest in securing warm-water ports in the area, and, in the still more recent past, by indications of a future oil deficit in the USSR. Iran in the late 1970s is alarmed at Soviet activities in Africa, the People's Democratic Republic of Yemen, and Afghanistan, fearing that this "encirclement" of Iran will continue with efforts to undermine the security of neighboring Pakistan or of Iran itself.

Iran in the next few years will continue to take such steps as it can to counter Soviet influence in these areas, but to protect its own interests will also seek continued normal, if cautious, bilateral relations. By expanding trade and arms purchases with the USSR and by continuing high-level political exchanges, the Shah has already provided strong incentives for continued Soviet cooperation. To balance this relationship, however, Tehran will also work to protect its good bilateral ties with China, which were established when Iran recognized the Peking government in 1971.

The Shah and Iranian military leaders cite the USSR as the greatest long-term military threat to Iran, although neither they nor we now foresee circumstances in which Soviet-Iranian hostilities might occur. The orientation of only one of the seven Iranian divisions toward the Soviet frontier suggests, moreover, that Iranian leaders realize [redacted] Iranian forces could not contain a Soviet attack without outside assistance, either now or in the future. A credible Iranian defense would require virtually a complete redeployment of Iran's ground forces to the north, an undertaking that would take several

weeks and would eliminate Iran's capability vis-a-vis Iraq. In these circumstances, Iran's strategy will remain one of deterrence; it seeks to deploy forces sufficient only to make any Soviet military action unacceptably costly, and to preserve close ties to the US that would increase the likelihood of a vigorous Western response.

The Shah's predisposition to close relations with the US resulted primarily from the American backing given him during the early years of his reign and from security concerns about the USSR. On this foundation, however, has been built a network of ties that involves far more than just the sale of military equipment or the Central Treaty Organization. Most of Iran's technology and capital goods, for example, and a large portion of its food imports and manpower assistance come from Western industrial countries, primarily the US. The West, in turn, purchases the bulk of Iran's oil in Iran. Although many civilian opposition leaders favor a more balanced foreign policy, the fundamental importance of these ties probably would dissuade all but the most radical leftist government from implementing abrupt changes in US-Iranian relations.

US interests will be directly affected in the next several years by virtually certain Iranian efforts to secure higher real oil prices. With output leveling off and declining in the 1980s, any government will need the increased revenue higher prices will bring. The vigor with which this goal is pursued, however, will be limited by consciousness in Iran of the country's extensive ties to the industrial nations in all fields, and by the more moderate policies of some other members of the Organization of Petroleum Exporting Countries. These complicating factors may create some receptivity in Iran to arguments for moderation in oil price increases, especially if serious

recession in the West seems likely.

The US will remain a principal supplier of sophisticated military equipment and trained manpower to Iran for the next several years, barring revolutionary and unlikely changes in the country's [redacted] orientation. The US has been Iran's main arms supplier for some time, and with [redacted] billion worth of equipment remaining to be delivered, will remain so at least through the mid-1980s. Iran's Air Force and air defense programs in particular are almost totally dependent on the US -- in mid-1978 almost [redacted] Americans were in Iran working in the defense sector. Iran's military reliance on the US is so critical, in fact, that if US support were withdrawn, the Iranian armed forces probably could not sustain full-scale hostilities for longer than two weeks.

Iran is attempting to reduce its dependence on the US by diversifying its sources of weapons supply, expanding its domestic arms production, and launching ambitious education and training programs to provide skilled manpower. Although progress is being made in all these areas, the increasing sophistication of modern weaponry and the rapidly growing demand for trained manpower in the economy as well as the military will ensure that these problems remain for at least several years as principal [redacted] in Iran's [redacted] defense and foreign policy. The US role in Iran's military and economy may decline more quickly than the foreign role generally, however, as a result both of arms sales ceilings imposed by the US and efforts by the Iranian government to minimize an attractive political issue for the opposition.

IV. OUTLOOK FOR THE 1980'S

Although the domestic and external constraints on Iran foreordain the problems its leaders will face over the next several years, and provide general limits within which policy can be formulated, important differences remain in the types of regime that may come to power, and in their probable policy responses to Iran's problems. If the Shah and his chosen successor remain, we shall see a political system chastened and changed by the events of 1978, but working toward the same basic goals, albeit at a reduced pace and with greater sensitivity to attendant problems and popular demands. If the Shah does not remain in power, we will see one or more alternative regimes most likely a rightist military junta, but perhaps also a civilian government dominated by Shia religious leaders or moderate leftists. We consider a radical leftist regime to be a less likely possibility. Although all of these regimes could be expected to attempt at least some loosening of Iran's ties to the US in the interests of political expediency or Iranian nationalism, there would be wide variations in their domestic policies and foreign priorities.

Pahlavi Rule

We see little likelihood that the Shah will step down voluntarily before the mid-1980s. Because he has for so long identified his fate with that of Iran, the current political instability is likely only to reinforce the Shah's determination to restore order and work toward an orderly succession to his son, 18-year old Crown Prince Reza. The Shah is not inflexible, however; he has already demonstrated willingness to make concessions to the responsible opposition, and may conclude that his role as well as that of his regime should or must be reduced. The political liberalization program was in fact conceived by the Shah largely as a means to facilitate broader participation in the

political process, a step he considered necessary to ensure stability in a post-succession period.

If the Shah and his designated heirs (current arrangements provide for the designation of a regency council under Empress Farah if the Shah, who is in good health, should die before 1980 when the Crown Prince will be 20 years old) remain in power, we anticipate they will continue over the next several years to seek political stability through a balance of limited concessions, as with the liberalization program, and limited force, including martial law if needed. Additionally, if the royal family remains in power, we anticipate a continuation of the essential elements of the Shah's current policies on social modernization and economic development. These policies will, however, be pressed less vigorously than in the past as a result of the political and economic problems that manifested themselves in 1978. Shah Reza or a regency under Farah probably would try to project a more liberal image than the current Shah; their sensitivity to the attacks on the present Shah's method of rule would be likely to lead them to be less authoritarian and more responsive to popular concerns. We see no likelihood under Pahlavi rule of a fundamental reorientation of domestic policy along the lines advocated by the Shia religious leaders.

The basic elements of Iran's foreign and defense policy are also likely to remain basically unchanged under the Pahlavi dynasty. The royal family and the power structure that backs it -- influential persons in the cabinet, parliament, bureaucracy, security forces, and the business and commercial community -- share a common view of the world and of Iran's interests. This view

centers on the need to strengthen Iran's hegemony in the Persian Gulf, maximize oil revenues, counter radical Arab and Soviet influence in the area, minimize instability on the Indian subcontinent, and protect Iran's relationship with the US. There may be a significant difference between Shah and his heirs regarding the implementation of policy, however. The latter would be certain initially to lack the Shah's confidence as well as his experience, and they probably would be less bold in proposing foreign initiatives and more inclined to weigh the views of their civilian and military advisers, the Foreign Affairs Ministry, and Parliament. This process probably would result in slower and less decisive action.

Military Government

The political unrest that has occurred during 1978 has raised for t first time in many years the serious possibility that the Shah may be forced from power some time before he would choose to step aside in favo his son. New uncertainties have also reduced sharply the likelihood tha succession would go as planned in the event of the Shah's death. Shah's successors almost inevitably would be weaker than he for example initially d would arise if influential political and military figures began maneuver for power as a result of the failure of a new regime to solidify quickly its hold on power. If Crown Prince Reza or the Empress could not establi control, the Pahlavi dynasty would end; the Shah's 12-year old second so Ali, has no independent power base, although he might be used by others t legitimize their seizure of power.

If [redacted] the Pahlavi dynasty is forced to share power or is driven from power, the most likely single eventuality would be that the military would emerge in control. Although no elements within the military are now known to be plotting against the Shah, senior officers were the force behind the decision to impose martial law in September 1978, and we believe that in more difficult circumstances they would press for a military government or attempt a coup. If a military government continued while the Shah remained, it almost certainly would be led by senior officers with views similar in all important respects to those of the Shah. If the military were to mount a successful coup -- and we have no sound basis on which to predict which units or individuals might attempt this -- the chances would be greater that younger officers with less predictable outlooks would come to power.

Most senior and middle-grade Iranian officers apparently endorse the general aims of the Shah's economic development and social modernization programs, as well as his efforts to expand and improve the armed forces. On domestic issues, therefore, a military regime [redacted] would refuse to grant to the religious leaders the political or other concessions that they have been demanding. The generally conservative political outlook of the military -- it has not been enthusiastic about political liberalization -- would make it equally unlikely that it would accommodate the demands of the opposition leftist groups. Most military governments in fact would be more likely than the Shah to use force to quell unrest such as has occurred in 1978, and might well reintroduce more repressive controls of the kind that existed before the Shah's liberalization program was implemented and the most notable human rights violations eliminated.

Concerning foreign and defense policy, a military regime over the next few years probably would pursue the same basic goals as the Shah, but -- lacking his experience, and with fewer financial resources than he had available in the mid-1970s -- would do so with greater caution and at a slower pace. This might manifest itself in a more restrained program of naval expansion into the Indian Ocean, for example. The accession to power of military leaders probably would also introduce greater mutual suspicion in Iran's relations with Iraq, the Soviet Union, and Saudi Arabia. Iran's recently good relations with these states have rested in large part on other leaders' favorable perceptions of the Shah's personal leadership and goals, and each would be apprehensive about a military government. Awareness among the Iranian military of the country's geopolitical vulnerability and its military relationship with the US probably would protect against any fundamental downturn in relations with the US. The oil price policy of a military regime would be guided by the same considerations that influence the Shah; no significant change would be likely. Difficulties with the US concerning human rights issues, however, might be more likely to arise with the military.

We consider it much less likely that a radically nationalist or extremist leftist military officer or group will stage a successful coup in the next few years. Were this to occur, however, the result might well be the implementation of a foreign policy that was initially neutral or xenophobic, but resulted in the progressive erosion of close ties and cooperation with the US and the West. Leaders of such a regime would be more likely to have come from younger elements of the officer corps, and to have had ties with the civilian opposition groups, including the extremists. Accommodation with such groups therefore would not be unlikely, but the nature of such a relationship and the extent to which these groups might participate in government

Moreover, because a military regime would initially be suspected by most of Iran's neighbors, it would be especially likely, however it came to power, to seek to preserve satisfactory

would be wholly a function of the ideology and personality of a new leader.

Civilian Control

Leaders of Iran's present civilian elite -- politicians, bureaucrats, businessmen, the clergy and other professionals -- are not in a good position to assume power unless they are backed by the Shah or the military. Past efforts to promote responsible political activity, by the government or the opposition, have not proved successful, with the result that no well organized political parties have developed that might provide obviously qualified or popular leadership as an alternative to the Shah and the military. The religious community has a better known, more acknowledged leadership, but the notion of its coming to power is vehemently opposed by virtually all other powerful groups.

The National Front is the nearest thing in contemporary Iran to an political party, but in reality it hardly exists as an organized entity. It consists primarily of a group of aging backers of former prime minsiter Mosadeq, the best known of whom in the late 1970s are Karim Sanjabi and Mehdi Bazargan. If this group should resurrect itself and come to power in the next few years, however, it presumably would seek to implement its perennial demands for social, economic, and administrative reforms at home, and for an independent foreign policy with loosened ties to the US. Other independent politicians have even less following and organization than the National Front, but they share with its members a generally leftist outlook.

[redacted]

We see no evidence that any of these civilian politicians will be able to provide strong or effective alternative leadership in the next few years.

The element of the civilian leadership most suspect to the others, but possessing the widest popular following, may continue for the next several years to be the Shia clergy. Such figures as Ayatollahs Khomeini or Shariatmadari already exert a powerful influence on government, and will continue to do so whoever is in power, but they have little chance of capitalizing on their wide following to win control of the government for themselves. Their strong influence nevertheless will continue for an extended period to affect the orientation of the economic, social and political policies pursued by secular governments, civilian or military.

ACTION 2

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DE RUEHC #2411 2892350
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O 162312Z OCT 78
FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN IMMEDIATE 7282
BT
C O N F I D E N T I A L STATE 262411

E.O. 11652: GDS

TAGS: PINT, IR

ACTION:
POL-3
INFO:
AMB
DCM
ECON-2
PM
OR
ADM
ICA
RSO
CRU-2
9/gmh

SUBJECT: BOY SCOUT JAMBOREE

1. SENIOR REPRESENTATIVES OF BOY SCOUTS OF AMERICA (BSA) MET ON OCTOBER 16 WITH SY AND NEA/IRN TO REVIEW PROSPECTS FOR JAMBOREE AT NISHAPUR, JULY 1979. PRESENT PLANS ARE THAT ABOUT 2500 AMERICAN SCOUTS WOULD ATTEND, ALTHOUGH OWING TO HIGH EXPENSE AND UNCERTAIN CONDITIONS IN IRAN, ONLY ABOUT ONE-HALF THAT NUMBER HAVE NOW SIGNED UP AND BSA IS NOT SURE THEY WILL REACH ORIGINAL TARGET.

2. BSA COUNCIL MEETS ON OCTOBER 19 TO ADDRESS QUESTION OF US PARTICIPATION IN JAMBOREE. IF US DECIDES NOT TO PARTICIPATE, PROSPECT IS THAT JAMBOREE WILL NOT TAKE PLACE. BSA IS VERY WORRIED ABOUT IRANIAN INTERNAL CONDITIONS AT THE TIME OF JAMBOREE, AND, TO SOMEWHAT LESSER EXTENT, ABOUT CRITICISM FROM HUMAN RIGHTS GROUPS AND PROBLEM OF AIR CHARTER ARRANGEMENTS (DCM NAAS IS FAMILIAR). BSA MUST MAKE COMMITMENTS FOR TRAVEL ARRANGEMENTS WITHIN A MATTER OF FEW WEEKS AND IF JAMBOREE IS SUBSEQUENTLY CANCELLED, COULD STAND TO LOSE UPWARDS OF DOLLARS 200 THOUSAND. BSA HAS NOT BEEN ABLE TO OBTAIN CANCELLATION INSURANCE FROM ANY INTERNATIONAL FIRM.

3. IN RESPONSE TO QUESTIONS DEPOFF SUMMARIZED CURRENT POLITICAL SITUATION IN IRAN AND MAJOR EVENTS WHICH LIE AHEAD, I.E. MOHARRAM, END OF MARTIAL LAW, AND ELECTIONS. HE GAVE OPINION THAT AMERICAN SCOUTS WOULD NOT FACE DANGEROUS SECURITY SITUATION IN IRAN, THAT OPPOSITION ELEMENTS, EVEN TERRORISTS, HAD NOT TARGETED SUCH SENSITIVE GROUPS AS AMERICAN BOY SCOUTS. FURTHER, IRANIAN GOVERNMENT WOULD CERTAINLY MAKE EVERY EFFORT TO PROVIDE IRON-CLAD EFFICIENT ARRANGEMENTS. NEVERTHELESS, DEPARTMENT OBVIOUSLY COULD NOT GIVE 100 PERCENT GUARANTEE THAT GOI WOULD NOT LATER CANCEL JAMBOREE OR THAT IT WOULD TAKE PLACE WITHOUT PROBLEMS. WE DID NOT THINK THAT JAMBOREE

WAS IN SAME CATEGORY AS SHIRAZ'S ART FESTIVAL.

4. AT END OF MEETING, BSA REPS REMAINED CONCERNED AND WE AGREED TO SEEK EMBASSY ASSESSMENT AND POSSIBLE RECOMMENDATIONS AS TO WHETHER BSA SHOULD PROCEED. WE ALSO SUGGESTED THAT EMBASSY MIGHT WISH TO SOUND OUT MR. HOSSEIN BANAI, WHO IS RUNNING JAMBOREE FOR GOI, FOR HIS VIEWS. BSA REPS TOLD US THAT THEY WERE SERIOUSLY CONSIDERING THAT US RECOMMEND TO INTERNATIONAL SCOUT COUNCIL THAT A PRIVATE EMISSARY BE SENT TO GOI TO SUGGEST POSTPONEMENT OF JAMBOREE UNTIL 1983. THIS WOULD ENABLE GOI TO TAKE INITIATIVE TO POSTPONE CONFERENCE AND AVOID A LOSS OF FACE. JAMBOREE COULD BE HELD IN SWEDEN NEXT YEAR. UNDER THESE CIRCUMSTANCES, IT MIGHT NOT BE ADVISABLE FOR EMBASSY TO APPROACH BANAI, WHO MIGHT LATER BELIEVE THAT US WAS BEHIND PRESSURE TO POSTPONE IRANIAN GATHERING. WE PROMISED BSA REPS FURTHER REPLY BY NOON, OCTOBER 18. REGRET LIMITED TIME FOR CONSIDERATION OF THIS QUESTION, BUT WE ARE OBLIGED TO ADVISE BSA BEFORE COUNCIL MEETS ON OCTOBER 19. CHRISTOPHER
BT
#2411

CONFIDENTIAL

TELEGRAM

1978 OCT 17 AM 8

INDICATE
☐ COLLECT
☐ CHARGE TO

10101

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	CONFIDENTIAL

ACTION: SECSTATE WASHDC IMMEDIATE

CONFIDENTIAL TEHRAN 10101

E.O. 11652: GDS
TAGS: PINT, IR
SUBJ: BOY SCOUTS JAMBOREE
REF: STATE 262411

1. IRAN HAS ENTERED A PERIOD OF CONSIDERABLE POLITICAL AND SECURITY UNCERTAINTY WHICH CAN BE EXPECTED TO CONTINUE AT LEAST THROUGH THE PARLIAMENTARY ELECTIONS PROMISED BY THE SHAH NEXT JUNE. THIS COULD CONCEIVABLY CHANGE OR NEW FACTORS ENTER THE SCENE BETWEEN NOW AND THEN, BUT IN ANY CASE IT IS DIFFICULT TO PREDICT WHAT THE LOCAL POLITICAL AND SECURITY SITUATION WILL BE IN JULY 1979. MAJOR UNDERTAKING SUCH AS BOY SCOUTS JAMBOREE FOR THE FIRST TIME EVER IN IRAN WILL OBVIOUSLY REQUIRE OUTLAY OF MONEY AND ENERGIES OF CONSIDERABLE PROPORTIONS. WE CANNOT RULE OUT/~~XXXX~~ ITS BEING JEOPARDIZED AT THE LAST MINUTE BY UNFORESEEN SECURITY AND OTHER PROBLEMS. EMBASSY IS THEREFORE UNABLE TO PREDICT SATISFACTORY CONDITIONS FOR NISHAPUR JAMBOREE NEXT JULY.

DRAFTING OFFICE	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
POL:GBLambrakis	10/17/78	1110	MIN:CWNaas

Shellenberger

CONFIDENTIAL
CLASSIFICATION

OPTIONAL FORM 152(H)
(Formerly FS-413(H))
January 1975
Dept. of State

2. THIS IS OBVIOUSLY A DECISION BOY SCOUTS OF AMERICA (BSA) MUST MAKE FOR THEMSELVES. WE BELIEVE IT WOULD BE WISE FOR THEM TO DISCUSS THE QUESTION WITH GOI REPRESENTATIVES, NOT ONLY [redacted] DR. HOSSEIN BANAI, BUT ANY OTHERS WHOSE COOPERATION WOULD REALISTICALLY BE REQUIRED IF EXTENSIVE ADMINISTRATIVE, LOGISTIC AND SECURITY PREPARATIONS FOR JAMBOREE WERE TO TAKE PLACE. FRANKLY, WE THINK IT AN EXCEEDINGLY AMBITIOUS PROJECT UNDER CONDITIONS WE FORESEE FOR IRAN BETWEEN NOW AND NEXT JULY. WITH CHANGES OF GOVT AND MINISTRY PERSONNEL POSSIBLE, ADMINISTRATIVE PREPARATIONS IN THEMSELVES MIGHT BE DIFFICULT TO COMPLETE IN TIME. STRAIN AND STRESSES ON DECISION MAKERS MIGHT CAUSE A CHANGE IN GOI ATTITUDE HALF WAY THROUGH THE ENTERPRISE. NEVERTHELESS, WE DO NOT BELIEVE EMBASSY OR USG SHOULD BE PUT IN POSITION OF MAKING THIS DECISION FOR BSA [redacted] AND IRANIAN GOVT. ABOVE SIMPLY REPRESENTS EMBASSY'S BEST READING OF THE SITUATION.

SULLIVAN

TELEGRAM

1978 OCT 19 PM 1:33

INDICATE COLLECT CHARGE TO

10189

FROM: AMEMBASSY TEHRAN | CLASSIFICATION: CONFIDENTIAL

ACTION: SECSTATE WASHDC

INFO: USINT BAGHDAD
AMEMBASSY ABU DHABI
" ANKARA
" DOHA
" ISLAMABAD
" JIDDA
" KABUL
" KUWAIT
" LONDON
" MANAMA
" MUSCAT
" NEW DELHI
" PARIS
USCINCEUR VAIHINGEN GE
USCINCPAC

CONFIDENTIAL TEHRAN 10189

E.O. 11652: GDS

TAGS: PINS, PINT, PORS, PGOV, IR

SUBJECT: POLITICAL/SECURITY REPORT, OCTOBER 18

SUMMARY: OPPOSITION DEPUTY TABLED NINE POINT CENSURE MOTION AGAINST SHARIF-EMAMI GOVT OCT 17. PRIMIN TO DEFEND POLICY IN CLOSED DOOR SESSION OCT 22. NATIONAL FRONT LEADER SANJABI STATED MONARCHY NOT OBJECTIONABLE IF IT IS CONSTITUTIONAL. KHOMEINI CRITICIZED PRESIDENT CARTER FOR IGNORING HUMAN RIGHTS VIOLATIONS IN IRAN. 340 IRANIAN PROFESSORS PETITIONED FRENCH PRESIDENT TO REMOVE RESTRICTIONS FROM KHOMEINI. FORMER SAVAK

DRAFTED BY: Sherratt:lab | TEL. EXT. 10-18-78 | CONTENTS AND CLASSIFICATION APPROVED BY: DCM:CUMas

Sembrakis

CONFIDENTIAL
CLASSIFICATION

OPTIONAL FORM 161 (Formerly DS-1322) January 1973 Dept. of State

[illegible] TO [illegible] OF [illegible] OF AUTHORITY. GOI OFFICIAL ANNOUNCED [illegible] OF POLITICAL PRISONERS WILL BE RELEASED WITHIN TWO WEEKS. AMERICAN PEN CLUB EXPRESSED SUPPORT FOR IRANIAN JOURNALISTS REGARDING RECENT STRIKE. AYATOLLAH JAVAD DASTGHEIB RELEASED AFTER TWO MONTHS DETENTION IN SHIRAZ. NO NEW REPORTS OF CLASHES BETWEEN DEMONSTRATORS AND SECURITY FORCES. TWO AMERICAN STUDENTS WERE FRIGHTENED AND ONE STRUCK BY A ROCK WHEN THEY HAPPENED UPON DEMONSTRATION IN ISFAHAN. DEATH TOLL FROM OCT 16 DEMONSTRATIONS APPEARS TO BE 12. END SUMMARY.

1. OPPOSITION MAJLIS DEPUTY ABBAS AKHBARI MOVED YESTERDAY TO CENSURE GOVT. TRADITION GIVES GOVT ONE WEEK TO PREPARE REPLY. MAJLIS WILL MEET IN CLOSED SESSION OCT 22 to CONSIDER OTHER QUESTIONS AND OBJECTIONS RAISED BY MAJLIS DEPUTIES. IT IS NOT YET KNOWN WHEN MAJLIS WILL DEAL WITH CENSURE MOTION ITSELF. IN [illegible] POINT DECLARATION AKHBARI ATTACKED GOVT FOR FAILING TO END BLOODSHED IN IRAN AND VIOLATING IMMUNITY OF RELIGIOUS LEADERS. HE ASKED WHY THOSE RESPONSIBLE FOR SENDING KHOMEINI INTO EXILE HAVE NOT BEEN PUNISHED, AND HE CITED REPORTS THAT GOI HAD PRESSURED IRAQ, KUWAIT AND OTHERS TO DENY FREEDOM TO KHOMEINI. GOVT HAS ALLOWED OIL REVENUES TO DROP AS RESULT OF DECLINE OF DOLLAR, HAS PERMITTED OIL CONSORTIUM TO PLUNDER NATION'S WEALTH, AND HAS WASTED OIL INCOME

ON SUCH PROJECTS AS KISH ISLAND RESORT. HE ATTACKED BILLS ON FREE ASSEMBLY, FREE PRESS, AND INDEPENDENCE OF UNIVERSITIES. PRESENT GOVT CANNOT CONCILIATE NATION BECAUSE IT IS FULL OF REPRESENTATIVES FROM PAST REPRESSIVE GOVTS. GOVT HAS FAILED, FOR EXAMPLE, TO PROSECUTE HOVEYDA, WHO HEADED GOVT DURING CORRUPTION PERIOD. FINALLY, GOVT HAS TRIED TO COMPENSATE FOR PAST MISGOVERNMENT WITH EXCESSIVE WAGE SETTLEMENTS WHICH WILL ONLY ADD TO INFLATION.

2. NATIONAL FRONT LEADER KARIM SANJABI STATED IN INTERVIEW HE HAS NO OBJECTION TO CONTINUED MONARCHY PROVIDED IT IS CONSTITUTIONAL. HE ALSO SAID GOVT HAS TO CHOOSE BETWEEN REAL DEMOCRACY OR MILITARY RULE; THERE IS NO OTHER OPTION.

3. AYATOLLAH KHOMEINI, IN INTERVIEW GIVEN TO FRENCH REPORTER SEPT 21 AND PUBLISHED OCT 17 IN LE MONDE, CRITICIZED PRESIDENT CARTER FOR IGNORING HUMAN RIGHTS VIOLATIONS IN IRAN. CARTER PROTESTED SOVIET POLICY BUT THEN SUPPORTED SHAH AFTER SEPT 8 KILLINGS. PRESS REPORTS 340 IRANIAN PROFESSORS SENT LETTER TO FRENCH PRESIDENT CALLING FOR REMOVAL OF RESTRICTIONS PLACED ON KHOMEINI.

4. FORMER SAVAK CHIEF NASSIRI RETURNED TO TEHRAN OCT 17. HE IS EXPECTED TO FACE CHARGES OF CORRUPTION AND VIOLATION OF HUMAN RIGHTS. HE HAS NOT SPOKEN TO JOURNALISTS AND PRECISE WHEREABOUTS ARE UNKNOWN.

5. OFFICIALS ANNOUNCED YESTERDAY MOST POLITICAL PRISONERS WILL BE RELEASED WITHIN TWO WEEKS. GOVT HAS CLASSIFIED

PRISONERS INTO TWO GROUPS--THOSE IMPRISONED FOR POLITICAL ACTS, AND THOSE ARRESTED FOR TERRORISM. FIRST GROUP MAY BE RELEASED. MINISTER OF STATE FOR EXECUTIVE AFFAIRS AZMOUN SAID TERRORISTS WILL NOT BE PARDONED, BUT OTHER REPORTS INDICATE THEY MAY HAVE SENTENCES REMITTED. AZMOUN SAID ALL THOSE WHOSE ACTIONS HAD BEEN IN ACCORDANCE WITH CONSTITUTION WOULD BE RELEASED. PRESS CARRIES DIFFERING REPORTS OF HUNGER STRIKES AMONG POLITICAL PRISONERS. APPARENTLY PRISONERS IN SHIRAZ AND TABRIZ WENT ON STRIKE WITHIN LAST FEW DAYS, JOINING STRIKES ALREADY UNDERWAY IN KARAJ AND QASR PRISON, TEHRAN. A TEHRAN JUDGE IS ALSO ON HUNGER STRIKE TO PROTEST ALLEGED TEMPORARY DETENTION OF THREE JUDGES AS THEY DEPARTED MINISTRY OF JUSTICE ON SUNDAY.

6. PRESS REPORTS AMERICAN PEN CLUB, AN ASSOCIATION OF 1600 WRITERS, EXPRESSED SUPPORT FOR STRIKING TEHRAN JOURNALISTS DURING RECENT WORK STOPPAGE.

7. AYATOLLAH HAJ SEEYED JAVAD DASTGHEIB WAS RELEASED FROM DETENTION OCT 17. HE WAS ARRESTED TWO MONTHS AGO IN SHIRAZ.

8. NO NEW REPORTS OF VIOLENT DEMONSTRATIONS. DEATH TOLL FROM OCT 16 INCIDENTS APPEARS TO BE 12. KERMAN HAD FEWER DEATHS THAN WAS ORIGINALLY REPORTED, BUT ATTACK THERE STANDS OUT AMONG POLITICAL VIOLENCE OF RECENT MONTHS. CROWD REPORTS RANGE FROM 200 TO 3,000) STORMED PRINCIPAL

MOSQUE DURING RELIGIOUS SERVICES, SETTING MOTORCYCLES ON FIRE, BURNING PICTURES OF KHOMEINI, DAMAGING MOSQUE, AND ATTACKING WORSHIPPERS.

9. MINOR ANTI AMERICAN INCIDENT OCCURRED MORNING OCT 13 IN ISFAHAN. TWO AMERICAN HIGH SCHOOL GIRLS WALKING TO SCHOOL ACCIDENTALLY CROSSED PATHS WITH GROUP OF 40-50 DEMONSTRATORS. WHEN CROWD BEGAN SHOUTING AT GIRLS THEY RAN. ONE WAS STRUCK BY STONE HURLED FROM CROWD. CROWD CONTINUED ON ITS WAY WITHOUT PURSUING THEM. (INCIDENT WAS FRIGHTENING FOR TWO AMERICANS, BUT CROWD, EXCEPT FOR STONE-THROWER, WAS MORE INTENT ON ITS MARCH THAN ON SEEKING OUT AND INJURING AMERICANS.)

SULLIVAN

1978 OCT 22 AM 10: 47

TELEGRAM

INDICATE
☐ COLLECT
☐ CHARGE TO
10267

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	CONFIDENTIAL

E.O. 11652:
TAGS:
SUBJECT:
ACTION:

ACTION: SECSTATE WASHDC PRIORITY

INFO: AMEMBASSY ANKARA
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS

POL-6

CONFIDENTIAL TEHRAN 10267

AMB
DCM
P/M
OR

LIMDIS

LIMDIS

CRU-2

E.O. 11652: GDS

TAGS: PINS, PINT, PGOV, IR

SUBJECT: LOOKING AHEAD

1. SUMMARY: WHILE IT IS TOO EARLY TO MAKE DEFINITIVE PREDICTIONS, THERE ARE ENCOURAGING INDICATIONS THAT THE MAY HAVE PASSED A FEVER POINT AND OPENED SOME IRANIAN CRISIS/[illegible] PROSPECTS FOR ITS CONSTRUCTIVE RESOLUTION. HOWEVER, A NUMBER OF OTHER DANGER POINTS LIE AHEAD BETWEEN NOW AND THE GENERAL ELECTIONS SCHEDULED FOR NEXT JUNE. END SUMMARY.

2. WITH THE RELATIVELY UNEVENTFUL PASSAGE OF THE DAY OF MOURNING FOR THE VICTIMS OF MARTIAL LAW ON OCTOBER 16,

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
AMB:WHSullivan:mgh	10/19/78		AMB

CLEARANCES:

CONFIDENTIAL
CLASSIFICATION

OPTIONAL FORM
(Formerly
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Dept.

50163-101

CURRENT
THE RESOLUTION OF MOST/LABOR DISPUTES, THE PARISIAN EXILE OF AYATOLLAH KHOMEINI, AND THE SIGNS OF CONSOLIDATION WITHIN THE SHARIF-EMAMI GOVT, THE POLITICAL SITUATION IN IRAN HAS BEGUN TO EASE SOMEWHAT. HOWEVER, SINCE MARTIAL LAW IS FIRMLY IN CONTROL OF ALL MAJOR POPULATION CENTERS, IT IS NOT REALLY POSSIBLE TO GET AN EFFECTIVE READING TO VERIFY THE DEPTH OF THIS RELAXATION.

3. POLITICAL FIGURES AMONG THE OPPOSITION, WHO ATTEMPTED TO RIDE THE WAVE OF POPULAR DISCONTENT LED BY AYATOLLAH KHOMEINI AND THE MULLAHS, HAVE BEGUN TO LOWER THEIR APPARENT XXXXXXXXXXXXXX AMBITIONS. XXXXXXXX WHILE TWO OR THREE WEEKS AGO, MANY OF THESE POLITICIANS WERE OPENLY CALLING FOR THE DISMISSAL OF THE SHAH, MOST OF THEM NOW QUIETLY STATE THAT THEY ACCEPT THE NEED FOR THE SHAH'S CONTINUED LEADERSHIP, ALBEIT WITHIN THE FRAMEWORK OF A DEMOCRATIC, CONSTITUTIONAL SOCIETY. THESE SAME FIGURES HAVE ALSO BEGUN DISCREETLY TO DISASSOCIATE THEMSELVES FROM KHOMEINI AND TO URGE RESTRAINT UPON THE MULLAHS.

4. IN PART, THIS CHANGE OF POSITION MAY BE PURELY TACTICAL, REFLECTING A LACK OF ARDOR FOR A FRONTAL CHALLENGE TO MARTIAL LAW. MORE FUNDAMENTALLY, HOWEVER, IT SEEMS TO BE A REFLECTION OF THEIR REALIZATION THAT THE PROSPECTS FOR A LIBERALIZED, "NATIONAL FRONT" GOVT IN THE CURRENT CIRCUMSTANCES ARE FAR LESS LIKELY THAN THE INTRODUCTION OF A

REPRESSIVE MILITARY REGIME IF THE TURBULENCE FAILS TO SUBSIDE. INHERENT IN THIS REFLECTION IS THE KNOWLEDGE THAT ONLY THE SHAH CAN PREVENT THE IMPOSITION OF A MILITARY GOVT AND THAT HIS CONTINUING PRESTIGE IS NECESSARY FOR RESTRAINT.

5. THESE SAME LEADERS ARE CURRENTLY, THEREFORE, SEEKING TO FIND SOME WAY TO PARTICIPATE IN THE GOVERNMENTAL STRUCTURE. IDEALLY, THEY WOULD LIKE TO BE GIVEN THE GOVERNMENTAL MANDATE AND TAKE OVER THE CABINET. MEN LIKE ALI-AMINI, FOR EXAMPLE, WHO HAD EARLIER "DEMANDED" THAT HE BE MADE PRIME MINISTER WITH FULL POWERS OVER THE MILITARY, ARE NOW SAYING THAT THEY WOULD SETTLE FOR CONTROL OF GOVT WITH THE EXCEPTION OF THE MILITARY, WHOSE LEADERSHIP THEY WOULD LEAVE DIRECTLY WITH THE SHAH. OTHER MORE MODEST AND REALISTIC OPPOSITIONISTS ARE TALKING IN TERMS OF A "COALITION GOVT."

6. IN ALL LIKELIHOOD, THERE SEEMS VERY LITTLE CHANCE THAT THE SHAH WILL INTRODUCE NATIONAL FRONT POLITICIANS INTO THE CURRENT CABINET UNLESS XX OR UNTIL THOSE POLITICIANS CAN DEMONSTRATE THAT THEY HAVE GENUINE POPULAR POLITICAL SUPPORT THROUGH THE TEST OF A FREE ELECTION. HE HAS INDICATED HIS PREFERENCE TO RETAIN SHARIF-EMAMI, PERHAPS WITH A SLIGHTLY RESHUFFLED CABINET, UNTIL THE JUNE ELECTIONS. HIS CHALLENGE TO THE OPPOSITIONISTS IS TO COMPETE IN THOSE ELECTIONS AND SHOW WHETHER THEY CAN TRULY MERIT A MANDATE OR A COALITION, OR EVEN PARTIAL PARTICIPATION.

7. THE OPPOSITION, OF COURSE, TAKES THE POSITION THAT THE ELECTIONS WILL NOT RPT NOT BE FREE, AND THAT THEY WOULD ONLY BE TRICKED INTO SACRIFICING THEIR AMBITIONS IF THEY WERE TO DEFER THEM AND WAIT UNTIL NEXT JUNE. THE SHAH, ON THE OTHER HAND, REPEATS HIS ASSURANCES OF OPEN ELECTIONS AND SUGGESTS THAT THE OPPOSITION IS SEEKING TO AVOID THE DISPLAY OF THEIR OWN WEAKNESS. THERE ARE SOME RECENT SIGNS THAT TENTATIVE, INDIRECT, DIALOGUE ABOUT ELECTIONS IS TAKING SHAPE BETWEEN OPPOSITION AND LOYALISTS. ONE LEADING OPPOSITIONIST HAS TOLD THE AMBASSADOR HE WOULD BE WILLING TO TRY TO WORK OUT AN "ELECTION CHARTER" WITH THE GOVT TO DEFINE FREE ELECTIONS AND TO PROVIDE FOR INTERNATIONAL OBSERVERS AND OTHER SUCH SAFEGUARDS.

8. IN THE MEANTIME, THE KHOMEINI STAR SEEMS TO BE WANING. HIS PUBLIC STATEMENTS IN FRANCE HAVE SUGGESTED THE FUZZY, ARCHAIC NATURE OF HIS POLITICAL PERCEPTIONS. THE FACT THAT HE IS FAR AWAY AND IN A CHRISTIAN COUNTRY/MAY BE ERODING HIS INFLUENCE HERE. THE AYATOLLAHS OF QOM SEEM TO FEEL A GREATER SENSE OF SELF-CONFIDENCE AND ARE IN THE PROCESS OF NEGOTIATING AN UNDERSTANDING WITH THE GOVT, WHICH WOULD ENTAIL THEIR ALLEGIANCE TO THE SHAH.

9. ARRANGEMENTS WORKED OUT BETWEEN THE GOVT AND THE PRESS HAVE RESULTED IN THE ESTABLISHMENT OF A FREE PRESS, WHICH CAN BE GENUINELY REGARDED AS INDEPENDENT. IF THE PRESS BEHAVES RESPONSIBLY IN THIS CIRCUMSTANCE, IT CAN DO MUCH

TO LANCE THE BOILS OF PUBLIC SUSPICION, WHICH HAVE FESTERED UPON THE VENOM OF OUTRAGEOUS RUMORS. SUCH WIDELY ACCEPTED CANARDS AS THE STORY THAT ISRAELI SOLDIERS WERE RESPONSIBLE FOR THE JALLEH SQUARE MASSACRE, OUGHT NOT TO HAVE AS MUCH CURRENCY IN THE FUTURE IF THE PRESS IS BOTH FREE AND RESPONSIBLE.

10. TROUBLESOME PROBLEMS, HOWEVER, REMAIN AHEAD. THE SETTLEMENT OF THE STRIKE WAVE HAS ENTAILED AN ENORMOUS EXPENDITURE WHICH, TAKING INTO ACCOUNT WAGE AND FRINGE BENEFIT INCREASES, WILL ADD 3.5 to 4.3 BILLION DOLLARS TO THE BUDGET IN THE PERIOD SEPT 23, 1978, TO MARCH 20, 1979. IRANIAN FISCAL YEAR STARTING MARCH 21, 1979, IS ALREADY BURDENED WITH ANOTHER TWELVE AND HALF PERCENT WAGE INCREASE, WHICH WILL TOTAL SOME THREE BILLION DOLLARS THAT YEAR. SIMILAR WAGE COSTS IN THE PRIVATE SECTOR WILL SURELY RESTORE THE INFLATIONARY SPIRAL OF 1976-77. IF GOODS ARE NOT AVAILABLE IN THE EARLY PART OF 1979 TO MEET THIS NEW PURCHASING POWER DEMAND, PROBLEMS COULD ARISE AT THE TIME WHEN MARTIAL LAW IS SCHEDULED TO BE LIFTED.

11. THE PROBLEM OF THE UNIVERSITIES IS YET TO BE SETTLED. THE MINISTER OF HIGHER EDUCATION HAS RESIGNED AND THE UNIVERSITY AUTONOMY BILL HAS BEEN WITHDRAWN "FOR FURTHER STUDY." IT IS PROVING VERY DIFFICULT TO FIND ANYONE WILLING TO TAKE THE HIGHER EDUCATION PORTFOLIO AND IT IS DOUBTFUL

THAT ANYONE CAN BE FOUND WHO WILL PROVE ACCEPTA
ENOUGH TO THE UNIVERSITIES TO ASSURE THEIR REOP
THIS IS PARTLY BECAUSE THE DEMANDS EMANATING FR
CAMPUS ARE SO CONFUSED. ON THE ONE HAND, THERE
RELIGIOUS NATIONALISTS. ON THE OTHER, THERE AR
MARXISTS. ADDITIONALLY, THERE ARE THE EXPONENT
AUTONOMY AND THE FACULTY MEMBERS WHO WANT SALAR
PERQUISITE IMPROVEMENTS.

12. THE MILITARY PRESENT A SPECIAL COMPLICATION
THEIR LEADERS MAINTAIN THEIR LOYALTY AND ALLEGIA
SHAH, THEY MAKE NO SECRET OF THE FACT THAT THEY
IS MAKING TOO MANY "CONCESSIONS." THEY WOULD PR
TOUGHER COURSE OF ACTION, ARRESTING "DISSIDENTS"
INSISTING UPON A GREATER RESPECT FOR "LAW AND OR
THEY PLEAD THIS POINT OF VIEW CONSTANTLY WITH TH
AND WILL CONTINUE TO HAVE SOME INFLUENCE ON HIS
BECAUSE OF THE INFORMATION AND INTELLIGENCE WHIC
BRING TO HIS ATTENTION. THEY WILL CONTINUE TO B
DISTURBED, ESPECIALLY WHEN THE BUDGET CUTS THE G
BE FORCED TO MAKE IMPINGE HEAVILY UPON WEAPONS P
THERE ARE NO RPT NO SIGNS, AT THIS JUNCTURE, OF
INCIPIENT DISLOYALTY OR HINTS OF A MILITARY COUP
SHAH WILL CLEARLY HAVE TO GIVE CONTINUING ATTENT
MILITARY MALAISE AS HE MOVES AHEAD.

[redacted]

13. XXX/ IN ADDITION TO THESE MORE OR LESS SUBSTANTIVE PROBLEMS, THERE ARE THE EVER-PRESENT EMOTIONAL RISKS THAT ARISE FROM THE RELIGIOUS AREA. THE PERIOD OF MOHARRAM, SHI-ITE DAYS OF DEEP MOURNING, [redacted], WILL FALL IN THE FIRST PART OF DECEMBER. THIS TRADITIONALLY TENSE PERIOD COULD PROVIDE OCCASIONS FOR CLASHES BETWEEN MILITANT MUSLIMS AND THE MILITARY.

14. XXX/ FINALLY, THERE WILL BE THE PSYCHOLOGICAL AND PHYSICAL PROBLEMS INHERENT IN THE PROCESS OF "DECOMPRESSION" FROM A PERIOD OF MARTIAL LAW. ALTHOUGH THE GOVT ASKED FOR AND RECEIVED PARLIAMENTARY AUTHORITY FOR SIX MONTHS OF MARTIAL LAW, THEY EARNESTLY HOPE THAT, TOWARDS THE END OF DECEMBER, IF ALL REMAINS CALM, THEY MAY BE ABLE TO LIFT IT, PERHAPS A CITY AT A TIME, IN ORDER TO RETURN TO CIVIL GOVT IN THE EARLY PART OF 1979. IF THIS PROCESS RESULTS IN A NEW ROUND OF RIOTS AND LAWLESSNESS, THE WHOLE SCHEDULE OF LIBERALIZATION COULD BE PLACED IN JEOPARDY.

15. ~~xxx~~ /THUS, THE EIGHT MONTHS REMAINING BETWEEN NOW AND THE ELECTIONS ARE GOING TO BE A VERY COMPLICATED PERIOD FOR THE SHAH AND HIS GOVT TO NEGOTIATE SUCCESSFULLY. TO ARRIVE AT ELECTION EVE IN THE SPIRIT OF DEMOCRATIC GOOD FELLOWSHIP WHICH WILL BE PREPARED TO CONTEMPLATE A NATIONAL ELECTION IN GOOD FAITH AND CIVILITY WOULD BE PERHAPS TOO MUCH TO ASK OF THE IRANIAN NATION AT THIS STAGE OF ITS POLITICAL DEVELOPMENT. TO ARRIVE AT THAT JUNCTURE IN RELATIVE DOMESTIC PEACE AND TRANQUILLITY WILL DEMAND MORE SOPHISTICATION THAN HAS BEEN DISPLAYED IN THE PAST SEVENTY YEARS. HENCE, WE SHOULD NOT ASSUME THIS GOAL AS GRANTED EVEN IF THE CURRENT TURMOIL SUBSIDES. HOWEVER, THE OBJECTIVE IS STILL A WORTHY ONE AND IT HAS NOT YET DISAPPEARED FROM VIEW.

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10421

CONFIDENTIAL TEHRAN

Amir Taheri

E.O. 11652: GDS
TAGS: *PINS, PINT, IR*
SUBJ: TRADITIONAL IRANIAN POLITICS -- THE CURE FOR THE FUTURE?

SUMMARY: A RETURN TO TRADITIONAL IRANIAN POLITICS MAY REPRESENT THE BEST CHANCE FOR PRESENT ~~REGIME~~ TO MOBILIZE according to Tahir Amiri. NECESSARY SUPPORT AMONG THE PEOPLE. END SUMMARY

1. AMIR TAHERI, EDITOR-IN-CHIEF OF KAYHAN DAILY, IS PROBABLY THE BEST JOURNALISTIC COMMENTATOR ON THE COMPLEX IRANIAN SCENE TODAY. IN COURSE OF LUNCH OCT 23 WITH VISITING ICA AREA DIRECTOR CURRAN, CPAO, AND POLITICAL COUNSELOR HE PUT FORTH AN/ANALYSIS OF PRESENT *SITUATION* INTERESTING AND A PRESCRIPTION FOR IMPROVING IT. XXXX

HE BELIEVES THERE IS NO SINGLE NATIONWIDE ISSUE FUELING THE OPPOSITION BUT RATHER A GENERAL DISCONTENT BUILT ON A VARIETY OF COMPLAINTS AND GRIEVANCES. CONSEQUENTLY THE GOVT SHOULD MOBILIZE ITS HUMAN RESOURCES TO REBUILD SUPPORT THROUGH THE MYRIAD TRADITIONAL IRANIAN ORGANIZATIONS WHICH EXIST IN EVERY LOCALITY DEALING WITH LOCAL ISSUES RATHER THAN WORRYING ABOUT FORMING ANY NEW-FANGLED LARGE NATIONWIDE ORGANIZATIONS, WITH NATIONAL ISSUES. IN SHORT, THE GOI TECHNOCRATS SHOULD LEARN TRADITIONAL IRANIAN POLITICS AND/OR FORGE ALLIANCES WITH TRADITIONAL POLITICIANS. HOVEYDA UNDERSTOOD THIS PROCESS AND KEPT CONTROL THROUGH IT (TAHERI IS A HOVEYDA MAN). AMOUZEGAR THE TECHNOCRAT, DID NOT, AND HIS ENDING OF SUBVENTIONS TO NEEDY MULLAHS, AS WELL AS OTHER MEASURES OF ECONOMIC RETRENCHMENT, CONTRIBUTED IN NO SMALL MEASURE TO CURRENT PROBLEM.

2. TAHERI INDICATED HE WAS CASTING ABOUT FOR A WAY TO GET THIS MESSAGE TO GOI. HE KNOWS NONE OF THE MEMBERS OF SHARIF-EMAMI GOVT. THOUGH HE SAW ARDESHIR ZAHEDI BRIEFLY DURING LATTER'S RECENT VISIT HERE, IT WAS HURRIED MEETING IN PRESENCE OF MANY OTHERS AND HE COULD NOT TALK. ZAHEDI IS, INCIDENTALLY, A POTENTIAL POLITICIAN WHO -- BECAUSE HE COMES OF COMMON STOCK AND HAD RELATIVELY LITTLE FORMAL EDUCATION -- STILL CAN COMMUNICATE IN A TRADITIONAL IRANIAN WAY WITH THE PEOPLE, ACCORDING TO TAHERI. A

START MUST BE MADE, TAHERI SAYS WITH THE MANY CITIES AND PROVINCES WHICH ARE NO-MAN'S LAND, NOT YET CONQUERED BY THE OPPOSITION. A FEW INCIDENTS INSTIGATED THERE, UNREST LEADING TO THE KILLING OF ONE OR TWO LOCAL PEOPLE AND/AN-OTHER LOCALITY IS LOST TO THE OPPOSITION. YET THERE ARE MANY GOOD MEN -- MEMBERS OF MAJLIS, GOVERNORS GENERAL, OLD RASTAKHIZ ACTIVISTS, OTHERS OF LOCAL PROMINENCE -- WHO ARE LOYAL TO THE SHAH AND CONTINUE TO ASK WHAT THEY SHOULD DO. GOI SHOULD RESTORE COMMUNICATIONS WITH THEM. A CENTRAL COORDINATING BODY SHOULD BE SET UP QUIETLY IN TEHRAN AND USE NETWORK OF MAJLIS DEPUTIES (AT LEAST 100 or 110 OF THEM HAVE GOOD LOCAL ROOTS AND WILL BE REELECTED IN ANY FREE ELECTION) AND VARIETY OF LOCAL BOSSES IN TRADITIONAL IRANIAN WAY. THEY FADED IN 1962-63, AND SHAH FURTHER RUPTURED SUCH POLITICAL ACTIVITY BY DISBANDING POLITICAL PARTIES, TRYING TO BREAK UP THE ORGANIZATIONS OF THE BAZAAR, ETC.

3. BY CHANCE LATER THAT SAME DAY POL COUNSELOR MET WITH A CLOSE CONFIDANT OF SHARIF-EMAMI, A SENATOR WITH LONG POLITICAL CONNECTIONS IN THE TEHRAN AREA WHO, AS HE HIMSELF PUT IT, HAS BEEN "INVOLUNTARILY RETIRED" FROM ACTIVE POLITICS FOR 15-18 YEARS. HE BLAMES NASSIRI, HOVEYDA, AND ALAM FOR DRAWING A CURTAIN AROUND THE SHAH, CUTTING HIM OFF. NASSIRI HIMSELF WARNED THE SENATOR FIFTEEN YEARS AGO THAT THERE WERE TOO MANY

PEOPLE WANDERING IN AND OUT OF THE SENATOR'S HOUSE, SOMEHOW MAKING IT DANGEROUS AND SENATOR WAS OBLIGED TO STOP RECEIVING THEM. SENATOR HAS NOW COME OUT OF "RETIREMENT" AND, WHILE REFUSING OFFER OF POSITION IN SHARIF-EMAMI CABINET, HAS BEEN VERY ACTIVE BEHIND THE SCENES. SOME OF HIS ACTIVITIES HAVE BEEN REPORTED IN SEPTELS. ONE CURRENT PROJECT, HE SAID, IS TO IDENTIFY PEOPLE WITH A POPULAR FOLLOWING IN (POORER, TROUBLED) SOUTHERN TEHRAN AND GIVE THEIR NAMES TO PM WITH RECOMMENDATION HE MEET AND RECRUIT THEM. SENATOR INDICATED HE AND PM HAD ALSO GIVEN THOUGHT TO USING MEMBERS OF PARLIAMENT FOR SUCH MOBILIZATION OF SUPPORT. HE READILY ADMITTED NEED (OF WHICH TAHERI HAD SPOKEN) TO MOBILIZE THE PROVINCES, THROUGH THOUGH HE ASSERTED TEHRAN ITSELF MUST LEAD THE WAY; AS TEHRAN GOES SO GO THE PROVINCES.

4. COMMENT: Tahiri's ANALYSIS AND PRESCRIPTION ARE PROBABLY WHAT HOVEYDA HAD IN MIND IN EARLIER TALKS WITH AMBASSADOR. THE TRADITIONAL POLITICIANS WERE AFTER ALL BACKBONE OF SHAH'S POLITICAL SUPPORT (SUCH AS IT WAS) IN 1950s. WHILE WE WOULD NOT EXPECT WHOLESALE RETURN OF ALL OLD POLITICIANS (WHOM SHAH CONSIDERED OBSTRUCTIONIST IN HEY DAY OF HIS "WHITE" REVOLUTION A DECADE AND A HALF AGO), A GOOD SMATTERING

BLENDED WITH NEWER (AND PERHAPS ALSO YOUNGER)
L LEADERS WOULD PROBABLY STAND BETTER CHANCE
IZING THE "SILENT MAJORITY" IN THIS COUNTRY
RENEWED EFFORT TO CREATE LARGE, WESTERN-
LITICAL PARTIES.

SULLIVAN

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C O N F I D E N T I A L

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E.O. 11652: N/A

TAGS: PEPR, IR, US, UZ

SUBJECT: TURNER COMMENT ON IRAN

REF: TEHRAN 10332

FOLLOWING IS EXACT TEXT OF ADMIRAL TURNER'S COMMENTS ON IRAN:

QUESTION: THERE'S A GOOD DEAL OF NEWS COMING INTO THIS COUNTRY FROM IRAN, WHICH IS ONE OF OUR MAJOR OIL SUPPLIERS, A GOOD DEAL OF TROUBLE HAS BEEN HAPPENING, AND A GOOD DEAL OF CONFLICT. THE QUESTION, I SUPPOSE THE FIRST QUESTION TO ASK IS WHETHER THE CIA DETECTS ANY SOVIET INFLUENCE BEHIND THESE, ANY SOVIET MOVEMENT TO MOVE IN AND TAKE ADVANTAGE OF THESE, ANYTHING OF THAT SORT?

DIRECTOR TURNER: WELL, I THINK THE POSITION THE SHAH OF IRAN IS IN TODAY IS A VERY DIFFICULT ONE. HE'S BEEN TRYING GENUINELY TO LIBERALIZE, TO MODERNIZE HIS COUNTRY OVER QUITE A PERIOD OF TIME NOW. IN RECENT MONTHS HE'S MET CONSIDERABLE RESISTANCE FROM THE CONSERVATIVE, RIGHT-WING ELEMENTS OF HIS OWN COUNTRY. AS A RESULT, HOWEVER, THE LEFT WING'S SMALL NUCLEUS OF COMMUNISTS HAS TRIED TO TAKE ADVANTAGE OF THIS AND TO USE THE DISTURBANCES FROM THE RIGHT FOR THEIR OWN PARTICULAR ADVANTAGE. I'M SURE

THERE'S SOME SOVIET INFLUENCE BEHIND IT, IN ONE DEGREE OR ANOTHER. BUT I THINK IT'S AN OPPORTUNISM TAKING ADVANTAGE OF A GENUINE DISSENT WITHIN THE COUNTRY AT THE DIRECTION THE SHAH IS GOING.

BUT I'M....

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QUESTION: SPECIFICALLY, DO YOU SEE ANY SOVIET, NEW SOVIET MONEY, NEW SOVIET AGENTS MOVING IN TO EXPAND AND USE THIS BRIDGEHEAD?

DIRECTOR TURNER: NO, I HAVEN'T SEEN THAT. AND I'M PLEASED THAT THE SHAH IS CONTINUING WITH HIS LIBERALIZATION EFFORTS. AND AS YOU KNOW, THE BIG EVENT WILL BE NEXT JUNE WHEN HE'S PROMISED -- AND HE'S STICKING TO HIS PROMISE OF FREE ELECTIONS FOR HIS PARLIAMENT. IT'S A VERY IMPORTANT MOMENT FOR HIM AND FOR US.

END TEXT. VANCE
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INTERNATIONAL COMMUNICATION AGENCY
Tehran, Iran

MEMORANDUM OF CONVERSATION

F/C E
Internal Unrest
Interesting

PARTICIPANTS: Fariborz Ata-pour, Writer, TEHRAN JOURNAL
Ali Reza Farahmand, Chief, Foreign Desk, KAYHAN
Robert T. Curran, Director, NEA/ICA, Washington, D.C.
Jack H. Shellenberger, PAO, ICA Tehran

DATE & PLACE: PAO Residence, October 25, 1978

SUBJECT: Iran's Political Crisis

DISTRIBUTION: AMB, DCM, POL, POL/MIL, ECON, CONS, OR, ICA/NEA

In the course of a working dinner in honor of Mr. Curran, journalists Ata-pour and Farahmand stated their views of the Iranian crisis. These individuals, who were not previously acquainted and differ greatly in terms of status (Ata-pour is a celebrated--if not notorious--TV commentator and featured columnist; Farahmand is mainly an editor and not widely known outside his profession) held a remarkable identity of views on the situation. Their main points were these:

1. Khomeini is a crucial factor and has more influence over the masses than the Shah.

2. Khomeini's prescription for Iran is neither fuzzy nor irrational. While we, personally, are not among his followers, we think he should not be written off as either mad or the tool of outside interests. His thinking is representative of what most Iranians believe.
These two options are not mutually exclusive. SP

3. The United States is in a no-win situation. Regime opponents consider the United States as the Shah's only prop. Regime adherents continue to sense that the U.S. will make any deal with anybody to assure continued access to oil and sales of military hardware. The Carter statements, particularly the telephone call from Camp David, on balance, have not been helpful in that they tended to confirm rumors that the United States is master-minding everything. They were, however, much less crass than the recent David Owen remarks on the indispensability of the Shah.

4. The U.S. Human Rights campaign had much to do with the pace of events here and accelerated everything far beyond anyone's power to manage.

5. Xenophobia is growing although it had been latent in Iran for centuries. There will be growing pressures to void contracts of western consultants in all fields. The view, now widely shared even in elite circles, is that foreign advisers aren't worth the money they cost, that their motives are suspect and that their recommendations are uncongenial with and inimical to Persian culture and traditions.

6. *Overall Prognosis:* Establishment of an Islamic State guaranteed by the military (a la Zia) with concomitant changes in political and educational institutions that are satisfactory to the religious leadership. Neither of us wants this to pass but things have gone too far, too long for an orderly transition to a democratic state.

COMMENT: These rather bleak assessments are vintage Ata-pour. Farahmand is less rhetorical, more analytic in his judgments. Another guest, Iraj Ayman, Director of the National Institute of Psychology (a public opinion research organization) attempted to argue that the people respect the institution of the Shah, are aware of many improvements in living standards over the past 25 years, and are wary of both Mullah and Marxists. Ayman's views were dismissed a "Niavaran thinking".

JHShellenberger:mh
10/29/78

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E.O. 11652: GDS

TAGS: PINS, IR

SUBJECT: LOOKING AHEAD

1. WE ARE BEGINNING TO HEAR INFLUENTIAL, OUTSIDE VOICES HERE ASSERT THAT SHAH'S POLICY OF POLITICAL CONCESSIONS HAS PROVEN MISTAKEN AND THAT HE SHOULD TURN TO PROGRAM OF CRACKING DOWN ON DISSIDENTS. BELIEVE IT WOULD BE TIMELY AND USEFUL IF, WITHOUT REFERRING TO THIS MESSAGE, YOU COULD GIVE US YOUR BEST ASSESSMENT OF CONSEQUENCES/ OUTCOME IN SHORT AND LONG TERM OF A POLICY OF SEEKING TO RESTORE ORDER BY USING FORCE TO RETURN STRIKERS TO JOBS AND TO KEEP DEMONSTRATORS OFF THE STREETS. PRESUMABLY ASSOCIATED WITH SUCH A POLICY WOULD BE A CLAMP DOWN ON THE PRESS AND UNIVERSITIES AND ARRESTS OF LARGE NUMBERS OF SECULAR AND RELIGIOUS OPPOSITIONISTS. (WE HEAR THAT SECURITY AGENCIES BELIEVE OPPOSITION CAN BE QUELLED BY ONLY 400 KEY ARRESTS.) PLEASE INCLUDE IN ANALYSIS YOUR ESTIMATE OF LOYALTY OF ARMY AND OTHER SECURITY FORCES UNDER CONDITIONS OF TIGHT CONTROLS OVER EXTENDED PERIOD AND PROBABLE REACTION OF GROUPS WITHIN IRANIAN BODY POLITIC. YOU MIGHT ALSO CONSIDER PUBLIC REACTION IF ELECTIONS WERE TO BE POSTPONED.

2. REALIZE THAT YOU HAVE GIVEN US YOUR VIEWS AND ANSWERS TO THESE QUESTIONS IN VARIOUS CABLES, BUT BELIEVE BRINGING IT ALL TOGETHER IN ONE NORMAL DISTRIBUTION EXDIS MESSAGE COULD BE QUITE HELPFUL.

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CARMISH MAAG TEHRAN IRAN//ARCG//

DCINCEUR VAIHINGEN GE//ECDC//

SECRET

PERSONAL FOR GEN HUYSER FROM MAJOR GENERAL GAST

SUBJECT: SECURITY FOR AMERICAN PERSONNEL IN IRAN (S)

1.(S) THE SITUATION IN IRAN REGARDING SECURITY FOR AMERICAN PERSONNEL HAS CHANGED SIGNIFICANTLY DURING THE PAST FEW WEEKS. PRIOR TO THIS TIME, OUR EFFORTS WERE TO OFFSET HARD-CORE TERRORIST GROUPS. WHILE THIS ACTIVITY WILL NO DOUBT CONTINUE, THERE ARE NOW NEW ELEMENTS WHICH WE ARE UNABLE TO FULLY GAUGE; HOWEVER, IT IS CLEAR THAT THE MAKEUP OF THESE ELEMENTS AND THE MOTIVATION IS SUBSTANTIALLY DIFFERENCT FROM THE HARD-CORE TERRORISTS. THE ACTIVITY IN BOTH TEHRAN, ESFAHAN AND OTHER CITIES APPEARS TO CONSIST OF STUDENTS, BOTH HIGH SCHOOL AND UNIVERSITY, AND RELIGIOUS AND LEFT-WING GROUPS. REGARDLESS OF THE COMPOSITION THE DEGREE OF ORGANIZATION THAT THEY POSSESS IS UNCLEAR, BUT PATTERNS ARE DEVELOPING. THEIR ORIENTATION APPEARS TO BE BOTH ANTI-GOVERNMENT AND TO SOME EXTENT ANTI-FOREIGN-PARTICULARLY ANTI-AMERICAN.

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2. (S) THE SITUATION INVOLVES ELEMENTS OF CIVIL DISORDER FORMENTED BY NUMEROUS GROUPS, PROBABLY WORKING WITH DIFFERENT GOALS AND TECHNIQUES, WHICH CAUSE DISRUPTION AND UNEASINESS TO AMERICANS. WE HAVE HAD SEVERAL INSTANCES WHERE BOTH OFFICIAL U.S. PERSONNEL AND CONTRACTORS HAVE BEEN HARASSED WHEN BUSES ON WHICH THEY WERE TRAVELLING WERE ATTACKED WITH STONES AND IN ONE CASE, A PIPE BOMB. THERE HAVE BEEN OTHER INSTANCES OF UNOFFICIAL AMERICAN HOMES BEING SET ON FIRE, ETC., NONE OF WHICH HAVE LED TO SERIOUS INJURY AT THIS TIME.

3.(S) THE U.S. MISSION IS DEVELOPING A SERIES OF ACTIONS TO OFFSET THE SITUATION TO THE DEGREE THAT IS POSSIBLE. WE PLAN TO FORM COORDINATING COMMITTEES COMPOSED OF REPRESENTATIVES FROM THE MISSION AS WELL AS ELEMENTS OF THE GOVERNMENT OF IRAN. ON THE GOVERNMENT OF IRAN SIDE, WE PLAN TO HAVE REPRESENTATIVES FROM VARIOUS AGENCIES. WE WILL DEVELOP A SERIES OF PASSIVE AND POSITIVE ACTIONS THAT WILL HELP OUR PEOPLE TO GO TO WORK SAFELY AND TO MAINTAIN AS NORMAL AS POSSIBLE LIFE WHILE OFF DUTY. WE BELIEVE THAT BY COORDINATING THIS EFFORT WE CAN HELP TO OFFSET THE CURRENT SITUATION. OBVIOUSLY OUR GUIDELINES MUST INCLUDE THOSE KINDS OF ACTIONS THAT WILL NOT ONLY PROVIDE FOR ENHANCED SECURITY BUT ALSO MAINTAIN THE MORALE OF THE AMERICAN COMMUNITY AND GIVE IT CONFIDENCE THAT THERE IS A SYSTEM WORKING TO PROVIDE INFORMATION, ADVISORIES, AS WELL AS SUGGESTED TECHNIQUES AND PRACTICES.

4.(S) THERE ARE LEGAL CONSTRAINTS AS TO WHAT THE U.S. MISSION IS AUTHORIZED TO PERFORM AND CERTAINLY THERE ARE CONSTRAINTS OF WHAT FUNCTIONS DEPARTMENT OF DEFENSE PERSONNEL MAY PERFORM. WE BELIEVE WE HAVE A GOOD APPRECIATION

OF THOSE CONSTRAINTS. WE ALSO BELIEVE THAT WE CAN OPERATE WITHIN THEM AND PERFORM A VALUABLE SERVICE TO THE AMERICAN COMMUNITY.

5.(S) THE GOVERNMENT OF IRAN AUTHORITIES WILL WORK IN CLOSE COORDINATION WITH THE U.S. MISSION AND HAS AGREED TO ACTIVATE A SERIES OF COORDINATING COMMITTEES. OUR PLAN OF ACTION WILL BE TO OPERATE TOTALLY AS PART OF THE U.S. COUNTRY TEAM WITHIN THE GUIDELINES PROVIDED BY THE AMERICAN EMBASSY. WE PLAN TO DEVELOP POLICIES AS APPROPRIATE TO MEET THIS NEW SITUATION AND BE PREPARED TO IMPLEMENT PROCEDURES AS THE SITUATION CHANGES AND ALSO TO PROVIDE A WAY TO ASSIST THE CONTRACTORS. WE BELIEVE WE CAN HELP CONTRACTORS DEVELOP THEIR OWN SYSTEM AND PLAN TO SHARE INFORMATION WITH THEM AS APPROPRIATE. THROUGH THIS PROCEDURE, WE BELIEVE THAT WE CAN ABIDE BY THE CONSTRAINTS AND ALSO PROVIDE A USEFUL SERVICE.

6.(S) WE REQUEST ASSISTANCE IN THE FORM OF SKILLS AND EXPERTISE THAT ARE NOT PRESENT WITHIN THE U.S. DEFENSE COMMUNITY IN IRAN. WHILE THE OSI IS VERY CAPABLE IN THE ANTI-TERRORIST AREA OF OPERATIONS, IT IS OUR ASSESSMENT THAT THEY ARE NOT TRAINED OR EQUIPPED REGARDING CIVIL DISTURBANCES AND THE COMPLEX REPERCUSSIONS WITHIN THE U.S. COMMUNITY. THE OSI HAS PERFORMED ADMIRABLY AND ARE CONTINUING TO DO SO UNDER THE NEW SITUATION, HOWEVER, WE BELIEVE THAT THERE ARE NEEDS FOR FOLLOWING ADDITIONAL CAPABILITIES:

SECRET

EXPERTISE

A. ~~ASSISTANCE~~ IN RECOGNIZING THE TRENDS AND THE MEANING OF CERTAIN TRENDS THAT AFFECT THE AMERICAN COMMUNITY DURING CONDUCT OF CIVIL DISTURBANCES.

B. EXPERTISE AND KNOWLEDGE OF ESTABLISHING AN INFRASTRUCTURE AND ORGANIZATION TO IMPROVE THE COMMUNITY'S SITUATION;

C. CAPABILITY TO PLAN AHEAD AND TO ANTICIPATE CHANGES IN THE SITUATION;

D. EXPERTISE ON ESTABLISHING AN OPERATIONS CENTER CONCEPT TO MAKE TIMELY ACTIONS AND TO INFORM PERSONNEL OF CURRENT SITUATION.

E. WE ALSO NEED PERSONNEL KNOWLEDGEABLE AND EXPERIENCED IN ASSESSING IMPACTS ON THE AMERICAN COMMUNITY AS FOLLOWS:

(1) EFFECT OF ACTIONS TAKEN BY THE DISSIDENT GROUPS;

(2) ASSESSMENT OF THE STATE OF CONDITION OF MORALE OF THE AMERICAN COMMUNITY;

(3) PERCEIVED NEEDS OF THE COMMUNITY;

(4) ASSESS ANY ACTIONS THAT WE MIGHT TAKE AND HOW THESE ACTIONS WOULD BE PERCEIVED BY THE COMMUNITY.

7.(S) THE SITUATION IS NOT YET SERIOUS AND IS MANAGEABLE. WE BELIEVE THE CONCEPTS DISCUSSED HEREIN ARE A GOOD BEGINNING. REQUEST PERSONNEL, PERHAPS SIX TO EIGHT, WITH SKILLS AND EXPERTISE LISTED IN PARA 6 BE SENT TDY AS SOON AS POSSIBLE FOR APPROXIMATELY ONE MONTH, WITH OPTIONS TO EXTEND IF REQUIRED.

XGDS-2 31 DEC 2003

TELEGRAM

INDICATE
COLLECT
CHARGE TO

10568

EMBASSY TEHRAN | CLASSIFICATION: CONFIDENTIAL

E.O. [illegible] SECSTATE WASHDC
TAGS: DEPARTMENT OF DEFENSE WASHDC
SUBJECT:

INFO: HQAFOSI/IVO
ACTION: USCINCEUR VAIHINGEN GE
AFOSI/OSI-G RAMSTEIN AB GE

CONFIDENTIAL [illegible]

FOR NEA/IRN, M/SC, S/S-O/NAC

E.O. 11652: GDS
TAGS: ASEC, PINS
SUBJ: SECURITY OF PERSONNEL: THREAT ASSESSMENT OCT 30, 1978

POL 3 REF: A. STATE 266369, B. TEHRAN 10380, C. TEHRAN 10501
D. TEHRAN 10441

AMB
DCM
P.I
ECON
GR
AGR
ADM
SY
CRM

SUMMARY: WEEKEND PASSED QUIETLY DESPITE RUMORS OF ACTION AGAINST FOREIGNERS. EMB BELIEVES TERRORIST THREAT REMAINS [illegible] SPORADIC HUNTERS OF DEMONSTRATORS IN STREET [illegible] HEIGHT [illegible] INCREASED COUPLED WITH ANTI-FOREIGN ATTITUDE HAS [illegible] POSSIBILITY FOR INCIDENTS INVOLVING AMERICANS AND OTHER FOREIGNERS. END SUMMARY.

SHIP
TANK

1. RUMOR MILL HAD SUGGESTED PAST WEEKEND WAS HIGHLY LIKELY TIME FOR ANTI-FOREIGN INCIDENTS AND GENERAL VIOLENCE. REF A REPLIED TO REF B BASED ON EVENTS PRIOR TO WEEKEND. FOLLOWING IS UPDATE OF THREAT ASSESSMENT BASED ON EVENTS OF

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[illegible] contain classified information) AFOSI (Ramstein) [illegible]
POL:GBHOUSECKA:S

CONFIDENTIAL

CLASSIFICATION

PAST FIVE DAYS.

2. ACTUAL INCIDENTS OVER PAST WEEKEND WERE LIMITED TO STONING OF ARMISH MAAG BUSES OCT 28 WHILE LEAVING DOSLEN-TAPPEH AIR BASE (NOTED REF C), AND BURNING OF BRITISH BUS IN ISFAHAN, AND OTHER MINOR ITEMS REFERRED TO IN REF C. LACK OF INCIDENTS HAS NOT ABATED WORRY IN FOREIGN COMMUNITY, AND RECEIPT OF SEVERAL WRITTEN THREATS OVER PAST FEW DAYS, INCLUDING [illegible] THREATS (ALL UNFOUNDED), HAS NOT REDUCED SENSE [illegible] OF AMERICANS HERE.

3. SITUATION HAS CHANGED SOMEWHAT OVER PAST WEEK WITH INCREASING NUMBER OF DEMONSTRATORS BEING SEEN ON STREETS. IN SOME CASES SCHOOL BUSES HAVE BEEN REROUTED TO AVOID CROWDS, BUT MANY AMERICANS AND OTHERS HAVE SEEN STREET DEMONSTRATIONS IN MANY LOCATIONS, ESPECIALLY NEAR IRANIAN SCHOOLS WHERE TEACHERS HAVE ENCOURAGED STUDENT "STRIKES" FROM HIGH SCHOOLS DOWN TO HIGH [illegible] PRIMARY LEVELS. THERE HAVE BEEN REMARKABLY FEW PROBLEMS WITH THESE DEMONSTRATIONS, [illegible] EVEN IN CASES WHERE MILITARY AND POLICE HAVE MOVED IN (SEE REFS C AND D FOR RECENT CASES). AMERICANS HAVE BEEN CAUTIONED TO LIMIT MOVEMENT AND STAY AWAY FROM OBVIOUS CROWD DEMONSTRATION AREAS (EMB HAS NOT RPT NOT, AS SOME INCORRECTLY SAYING, URGED ALL AMERICANS TO STAY HOME).

4. WE BELIEVE TERRORIST THREAT REMAINS ESSENTIALLY UNCHANGED. THERE IS NO RPT NO EVIDENCE THAT 'PROFESSIONAL' GROUPS SUCH AS [illegible] ARE PLANNING MORE ACTIVE AGAINST

FOREIGN TARGETS. AT SAME TIME, INCIDENTS DURING PAST SEVERAL MONTHS INDICATE THAT THERE HAS GROWN UP THREAT FROM AD HOC PROBABLY (THEIR EXACT CHARACTER IS NOT KNOWN) /PRO-ISLAMIC GROUPS OR INDIVIDUALS/WHO ALSO HAVE THE CAPABILITY OF ATTACKING LOCAL TARGETS. WHILE MOST ACTIVITIES OF THESE GROUPS OR INDIVIDUALS HAVE BEEN DIRECTED AGAINST LOCAL TARGETS, A FEW HAVE, IN FACT, BEEN DIRECTED AGAINST AMERICANS. MOREOVER, THREAT FROM THIS QUARTER CAN APPEAR MORE "SPECTACULAR" THAN THE SCOPE OF TERRORISM WE HAVE BEEN DEALING WITH IN THE PAST--THE BOMBING OF THE BHI BUS IN ISFAHAN BEING AN EXAMPLE. GROWTH OF PUBLIC DEMONSTRATIONS AND PUBLIC EXPRESSION OF HERETOFORE MUTED ANTI-FOREIGN SENTIMENT ALSO OFFERS PROSPECT THAT THERE MAY BE MORE INCIDENTS INVOLVING AMCITS AS WELL AS OTHER NATIONALITIES. OUR FRENCH, [illegible] REPORT THE SAME TYPE OF OCCASIONAL LOW-LEVEL HARASSMENT AGAINST THEIR NATIONALS THAT WE HAVE EXPERIENCED AND ALSO SHARE OUR FEELING THAT THE POTENTIAL FOR ADDITIONAL INCIDENTS HAS INCREASED. EMERGING UNRULINESS HAS TAKEN SOMEWHAT MORE VOCAL ANTI-AMERICAN TONE, LARGELY BECAUSE WE ARE LARGEST AND MOST VISIBLE GROUP HERE. THUS FAR IT HAS BEEN LIMITED TO RANDOM INSULTS, OCCASIONAL ROCK-THROWING, WITH A VERY FEW ATTEMPTED CAR-BURNINGS OR BOMBINGS. THERE IS NO RPT NO EVIDENCE OF SPECIFIC ANTI-AMERICAN "CAMPAIGN" OR DELIBERATE, ORGANIZED EFFORT TO HARASS AMERICANS BECAUSE THEY ARE AMERICANS. MANY PERSIANS DISCUSSION DISCUSSED SITUATION AS ONE OF [illegible]

OF SENTIMENTS WHICH HAVE EXISTED FOR SOME TIME, BUT HAVE THUS FAR BEEN HELD BACK BY FEAR MIXED WITH COURTESY.

5. GREATER POLITICAL ACTIVITY IN THE STREETS HAS INCREASED THE POSSIBILITY RPT POSSIBILITY OF AMCIT INVOLVEMENT IN UNPLEASANT OR DANGEROUS INCIDENTS. SAME EXPANDED RISK APPLIES TO ALL INDIVIDUALS, BOTH FOREIGN AND IRANIAN, DURING CURRENT TIME OF POLITICAL STRESS. SECURITY WATCH COMMITTEE MET OCT 22 AND OCT 25 TO EVOLVE ABOVE ASSESSMENT.

6. SECURITY WATCH COMMITTEE ALSO DISCUSSED PROBLEM OF PSYCHOLOGY OF AMERICAN COMMUNITY, WHICH HAS NATURALLY FOCUSED ITS OWN PROBLEMS. MISSION OFFICERS HAVE BEEN MAKING SPECIAL EFFORT TO SEE THAT NUANCES OF SITUATION ARE BETTER UNDERSTOOD BY KEY CORPORATE OFFICERS AND INDIVIDUALS. SIMPLISTIC ATTITUDES THAT "ANTI-AMERICANISM IN INCREASING," MISS COMPLEXITY OF DEVELOPMENT AND FACT THAT SITUATION HAS BECOME MORE UNSETTLED FOR EVERYONE, NOT JUST AMCITS. CONDITIONS ARE LIKELY TO REMAIN UNCERTAIN UNTIL LOCAL POLITICAL FACTORS--STRIKES, DEMONSTRATIONS, ETC.--CHANGE SIGNIFICANTLY, EITHER FOR BETTER OR WORSE.

7. EMB WILL CONTINUE TO MONITOR CONDITIONS AND ADVISE DEPARTMENT OF CHANGE IN ABOVE ASSESSMENT.

SULLIVAN

TELEGRAM

1978 OCT 31 PM 12 36

INDICATE
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10621

	FROM	CLASSIFICATION
	AMEMBASSY TEHRAN	CONFIDENTIAL

E.O. 11652:
TAGS:
SUBJECT:

ACTION:

ACTION: SECSTATE WASHDC PRIORITY

INFO: AMEMBASSY ABU DHABI
AMEMBASSY ANKARA
USINT BAGHDAD
AMEMBASSY DOHA
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY NEW DELHI
AMEMBASSY PARIS
USCINCEUR
USCINCPAC

POL 3

AMB
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ECON 2
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CONFIDENTIAL TEHRAN 10621

E.O. 11652: GDS
TAGS: PINS, PGOV, PINT, IR
SUBJ: LOOKING AHEAD: SHIFTING IRANIAN PUBLIC ATTITUDES

SUMMARY: EVENTS OF PAST MONTH, PARTICULARLY PAST WEEK, HAVE LED TO CLEARLY DISCERNIBLE SHIFTS IN ATTITUDES REGARDING SHAH AND GOI AMONG MANY GROUPS OF IRANIANS. SUCH CHANGES, WHILE SIGNIFICANT IN THE SHORT RUN, ARE ESPECIALLY IMPORTANT BECAUSE THEY FORESHADOW CHANGED WAYS OF THINKING AND BELIEVING ABOUT POLITICS IN IRAN. MOST IMPORTANT CURRENTS ARE: A) RENEWED QUESTIONING OF SHAH'S EFFECTIVENESS AND LEGITIMACY, PARTICULARLY BY GROUPS WHICH HERETOFORE HAVE GIVEN AT LEAST

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POL:JDSteinke/bjh	10/30		XXXXXXXXXX/DCM:JMills

CLEARANCES:
POL:GBLambrakis
POL:WCrist
ECON:CTaylor
OR(Draft)
ICA(subs)

CONFIDENTIAL
CLASSIFICATION

OPTIONAL FORM 1
(Formerly FS-4
January
Dept. of

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TACIT ALLEGIANCE (AND USUALLY MUCH MORE) TO SHAH AND GOVERNMENT; B) GROWING BELIEF AMONG ALL SEGMENTS OF SOCIETY NOT DIRECTLY INVOLVED IN GOVERNMENT THAT SHARIF-EMAMI REGIME CARRIES TOO MUCH BAGGAGE FROM PAST TO BE ABLE TO SUCCESSFULLY RESTORE ORDER OR PROVIDE FOR TRANSITION TO FREELY-ELECTED GOVERNMENT; C) REALIZATION AMONG MIDDLE CLASS MODERNIZERS THAT BOTH RELIGIOUS FORCES AND COMMUNISTS HAVE MUCH MORE ORGANIZATIONAL CAPACITY THAN MOST IMAGINED; AND D) RAPIDLY SPREADING FEELING THAT PRESENT GOI WILL NOT BE ABLE TO COMPROMISE WITH RELIGIOUS LEADERSHIP AND THAT ALTERNATIVE IS LIKELY TO BE MILITARY GOVERNMENT AND RATHER SOONER THAN LATER (LATTER BELIEF IS WIDESPREAD AMONG BOTH SUPPORTERS AND OPPONENTS OF SHAH). DESPITE PERSIAN TENDENCY TO MANIC-DEPRESSIVE CYCLES IN POLITICS, SHIFT IN BASIC ASSUMPTIONS WHICH HAVE UNTIL NOW GOVERNED MOST PEOPLES' BEHAVIOR WILL FURTHER REDUCE STABILITY OF IRANIAN PUBLIC OPINION. BOTH PRO- AND ANTI- SHAH ELEMENTS ARE AGREED MONARCH MUST SHOW BETTER LEADERSHIP AND DETERMINATION IF HE IS TO SHAPE EVENTS HIS WAY AND REVIVE THE CENTER IN IRANIAN POLITICS. END SUMMARY.

1. OVER PAST TEN DAYS, NUMBER OF EMBOFFS HAVE NOTICED BASIC CHANGES IN ATTITUDES AMONG DIFFERENT CLASSES AND CATEGORIES OF INDIVIDUALS. WHAT FOLLOWS IS COMPILATION AND INITIAL ANALYSIS OF SOME CHANGES WHICH ARE BOUND TO AFFECT FUNDAMENTAL PERCEPTIONS OF POLITICS AND GOVERNMENT IN IRAN.

WHILE THEY WILL UNDOUBTEDLY HAVE AN IMPACT IN THE SHORT RUN, PERHAPS THEIR GREATER IMPORTANCE IS IN FORESHADOWING CHANGED WAYS OF THINKING ABOUT POLITICS WHICH IN THE LONG RUN MAY ALTER THE POLITICAL SHAPE OF THE COUNTRY.

2. MOST SIGNIFICANT OF THESE IS WIDESPREAD, NEARLY UNIVERSAL PESSIMISM AMONG VIRTUALLY ALL GROUPS IN MODERN SECTO OF SOCIETY ABOUT FUTURE OF COUNTRY AND GOVERNMENT. PUBLIC REFUSAL OF AYATOLLAH KHOMEINI TO COMPROMISE WITH GOI AND ECHOING VIEWS OF AYATOLLAH SHARIATMADARI (TEHRAN 10499) HAVE CREATED PESSIMISM ABOUT POSSIBILITY OF ENDING CURRENT UNREST AND POLITICAL CRISIS ANY TIME SOON ON TERMS WHICH WOULD ALLOW CONTINUED POLITICAL LIBERALIZATION. UPPER CLA SUPPORTERS OF SHAH (INCLUDING SOME SENIOR GOVERNMENT OFFICI WIDE RANGE OF BUSINESSMEN, PLUS SUBSTANTIAL NUMBERS OF IRAN MODERATE ACADEMIC "ESTABLISHMENT" BELIEVE THAT "END" OF PRESENT POLITICAL GAME IS LIKELY TO BE MILITARY RULE. THERE IS WIDESPREAD AGREEMENT AMONG SUBSTANTIAL MEMBERS OF THOUGHTFUL PERSIANS THAT SHAH HAS NOT EXERCISED EFFECTIVE LEADERSHIP. HE HAS NOT EVEN TAKEN "OBVIOUS" OPPORTUNITY TO ADDRESS HIS PEOPLE DIRECTLY ON TV AND DISCUSS ISSUES WITH THEM. HE SEEMS STILL TO THINK THE PEOPLE TOO IMMATURE FOR SERIOUS EXPLANATIONS. THIS IS PARALLELED BY A WILLINGNESS AMONG SIZABLE NUMBERS WHO HAVE SUPPORTED THE SHAH CONSISTENTLY AS IRAN'S BEST HOPE FOR THE FUTURE, TO QUESTION WHET THE SHAH SHOULD REMAIN. THEY DO NOT WISH TO DO HIM IN, BU THEY SEE LITTLE HOPE TO BREAK THE DEMONSTRATION CYCLE IN

PRESENT CIRCUMSTANCES. SOME WOULD EVEN CHANCE A REGENCY FOR THE /FORMER CROWN PRINCE. THEY ARE, FOR THEM, "THINKING THE UNTHINKABLE" FOR THE FIRST TIME.

3. SUBSTANTIAL ELEMENT IN THIS PATTERN IS WIDESPREAD PERCEPTION BY GROUPS NOTED ABOVE PLUS CIVIL SERVANTS AND EVEN SOME MILITARY, THAT SHARIF-EMAMI GOVERNMENT IS BEING OVERTAKEN BY EVENTS. MORE IN SORROW THAN IN ANGER, SUBSTANTIAL NUMBERS OF BUREAUCRATS, YOUNG TECHNOCRATS, BUSINESSMEN AND OTHERS WITH LARGEST STAKE IN MODERNIZATION (WHICH GOI ITSELF HAS FOSTERED FOR PAST TWO DECADES) ARE CONCLUDING THAT SHARIF-EMAMI GOVERNMENT MUST GO. TOP ECHELON MINISTRY MEN NOTE WAY CROWDS HAVE "RAMPAGED AT WILL" THROUGH MINISTRIES FOR PAST FOUR OR FIVE DAYS, AND HAVE VIRTUALLY BROUGHT CERTAIN MINISTRIES' WORK TO A HALT. THIS IS REINFORCED BY VIRTUALLY UNANIMOUS VIEW OF ALL POLITICIANS WHO THEMSELVES DO NOT HAVE DIRECT STAKE IN GOVERNMENT THAT SHARIF-EMAMI GOVERNMENT AND PRIME MINISTER HIMSELF ARE TOO BURDENED WITH PAST TO EVER BE ABLE TO PRESIDE OVER FREE ELECTIONS. FROM MODERATE POLITICIANS NOW ORGANIZING CENTRIST GROUPS (WHO AVOW SUPPORT FOR PRIMIN "AT LEAST UNTIL ELECTIONS") TO NATIONAL FRONTERS WHO CALL FOR "NEUTRAL" GOVERNMENT, THERE IS BELIEF THAT GOVERNMENTAL CHANGE MUST COME. ECHOING VIEW IS THAT ANY NEW TRANSITIONAL GOVERNMENT MUST CONTAIN AT LEAST SOME "NON-ESTABLISHMENT" POLITICIANS IN IT. CORRUPTION ISSUE HAS BEEN WELL USED BY OPPONENTS OF REGIME

TO DISCREDIT MANY IF NOT MOST POLITICIANS OF PAST FIVE TO SEVEN YEARS. EVEN POLITICIANS CLOSE TO PRESENT SCENE WILL RELUCTANTLY CONCLUDE IN PRIVATE THAT DAYS OF SHAH'S HAND-PICKED GOVERNMENTS ARE PROBABLY GONE FOREVER. GOVERNMENT'S INABILITY TO RESTORE PUBLIC ORDER, MORE THAN ANY PRONOUNCEMENTS ABOUT POLITICAL LIBERALIZATION, HAS TURNED MODERN IRAN INTO PARTICIPATORY STATE IN PUBLIC EYE. (COMMENT: PROBLEM WITH THIS PERCEPTION IS THAT SUBSTANTIAL NUMBER OF PEOPLE, ESPECIALLY FORMERLY ALIENATED NON-POLITICALS AND OPPOSITION BUT ALSO INCLUDING ESTABLISHMENT TYPES SUCH AS CIVIL SERVANTS SEE EFFECTIVE POLITICAL ACTION NOW IN TERMS OF STRIKES AND DEMONSTRATIONS, NOT ORDERED PARTICIPATION IN ELECTION OF PUBLIC OFFICIALS.)

4. Another new perception, which has come as a rather unpleasant surprise to government, secular opposition, and modernizers of all stripes is realization that religious leaders AND ESPECIALLY EX-TUDEH (COMMUNIST) SUPPORTERS ARE MUCH BETTER ORGANIZERS THAN ANYONE IMAGINED. VIRTUALLY ALL ACADEMICS AGREE THAT MAJOR IRANIAN UNIVERSITY STUDENT BODIES ARE BEING POLARIZED ABOUT 70-30 ~~60-40~~ BETWEEN STUDENTS ADHERING TO ISLAMIC AND COMMUNIST ORGANIZATIONS RESPECTIVELY. UNDERGROUND ORGANIZATION OF TUDEH HAS SURFACED WITHIN PAST WEEK AT VIRTUALLY ALL UNIVERSITIES (INCLUDING AMERICAN-FOUNDED DAMAVAND COLLEGE FOR GIRLS, WHICH HAS NEVER HAD A SERIOUS DEMONSTRATION BEFORE THIS YEAR) TO CALL

FOR UNIVERSITY REFORMS AND FULL INDEPENDENCE FROM GOI. NUMBER OF OUR BEST ACADEMIC SOURCES HAVE SUGGESTED THAT MIDDLE GROUP HAS EVAPORATED ON UNIVERSITY CAMPUSES AND STUDENTS ARE BEING DRAWN TO ONE OF TWO POLES, NEITHER OF WHICH REALLY WANTS SETTLEMENT UNDER PRESENT GOI. THIS HAS, UNDERSTANDABLY, DEPRESSED MANY, AND IN MANY CASES CREATED EXTREMELY VISCERAL REACTIONS AGAINST WHAT IS BELIEVED TO BE UNWISE AMERICAN HUMAN RIGHTS POLICY WHICH HAS "FORCED" IRAN TO PRESENT SITUATION. OTHERS REGARD U.S. AS TRAITOR TO IRANIAN PEOPLE FOR FAILING TO PRESS HOME CAMPAIGN FOR HUMAN RIGHTS, THEREBY LEAVING COUNTRY IN PRESENT MESS. CLEARLY ONE CASUALTY OF CURRENT UNREST IN IRAN HAS BEEN OBJECTIVE, UNEMOTIONAL ANALYSIS BY VERY GROUP--PROFESSORS--WHICH MIGHT HAVE BEEN ABLE TO PROVIDE STABILIZING LEADERSHIP UNDER OTHER CIRCUMSTANCES.

5. IF PEOPLE PERCEIVE THAT RELIGIOUS LEADERSHIP IS CAPABLE OF KEEPING PEOPLE IN STREETS AGAINST WILL OF GOVERNMENT, ALTERNATIVE HAS INCREASINGLY COME TO BE SEEN AS MILITARY GOVERNMENT. OPPOSITIONISTS WOULD PREFER DEPARTURE OF SHAH, BUT SUSPECT THIS WILL NOT HAPPEN VOLUNTARILY. SUPPORTERS OF THE SHAH SEE IRAN'S FIRST NEED AS SOCIAL ORDER. BOTH NOW TEND TO PERCEIVE INEVITABILITY OF MILITARY GOVERNMENT WITH OVERWHELMING PROBABILITY IT WILL BE HARD-LINE AFFAIR, ENDING DOMESTIC POLITICAL LIBERALIZATION AND PROVOKING GREATER ORGANIZED TERRORIST ACTIVITY. PRO-MONARCHISTS SEE

THIS AS REGRETTABLE NECESSITY TO PRESERVE MODERN SOCIAL AND ECONOMIC FABRIC; OPPOSITIONISTS VIEW IT AS TRAGEDY FOR COUNTRY AND REGRESSIVE FASCISM WHICH WILL OPEN OPPORTUNITIES FOR TERRORISM.

6. MANY GOVERNMENTAL AND INDUSTRIAL SECTOR EMPLOYEES, ESPECIALLY BANKERS AND ECONOMIC PLANNERS, SEE CURRENT RASH OF STRIKES SLOWLY STRANGLING COUNTRY WITH NO "WAY OUT." PRIVATELY, MANY SAY SHARIF-EMAMI POLICY OF LETTING MOBS VENT FEELING HAS GONE BEYOND HOPE OF SUCCESS TO DISRUPTION OF BOTH ECONOMY AND SOCIAL FABRIC. OIL PRODUCTION IS DOWN, FACTORIES ARE IDLE AND INFRASTRUCTURE PROJECTS SUCH AS KHUZISTAN SUGAR PLANATION COMPLEX WILL BE IN RUINS AFTER MONTH OR SO OF NEGLECT. MANY FEEL (AND ARE NOW READY TO DISCUSS WITH THEIR FRIENDS) THAT SOME SORT OF BASIC CHANGE IS NECESSARY. WHILE PERHAPS NOT YET READY TO SERIOUSLY ADVOCATE NEW GOVERNMENT OR REGIME, THEY ARE NOW LISTENING SERIOUSLY TO OPPOSITION ANALYSIS THAT SIX MONTHS AGO WOULD HAVE BEEN CONSIDERED BALDERDASH.

7. FOLLOWERS OF PERSIAN SCENE WHO ARE USED TO MANIC-DEPRESSIVE NATURE OF PERSIAN POLITICAL THOUGHT MAY TEND TO ASCRIBE FEATURES DESCRIBED ABOVE TO STANDARD TO-ING AND FRO-ING OF PEOPLE UNUSED TO DEMOCRATIC RHETORIC AND PARTICIPATORY PROBLEMS. SHIFTS IN ATTITUDES GO DEEPER THAN THAT, HOWEVER, TO QUESTIONING OF BASIC ASSUMPTION OF PAST 15 YEARS THAT SHAH IS TOUGH, UNCHALLENGEABLE LEADER WHO IS EFFECTIVE LEADER OF COUNTRY. FEELING THAT POLITICAL PROCESS

IS AT DEADEND HAS PRODUCED SENSE OF FRUSTRATION WHICH MAY ULTIMATELY BE MORE DAMAGING TO STABILITY OF IRANIAN PUBLIC OPINION THAN MERE FACTS OF PRESENT UNREST.

8. OVERWHELMING BULK OF IRANIANS OF ALL CLASSES, EVEN HIS OPPONENTS, SEEM TO BE WAITING FOR SHAH TO DO SOMETHING. HABIT OF WAITING FOR THE TOP TO ACT IS HARD TO ERADICATE. SEVERAL PERCEPTIVE PERSIAN OBSERVERS HAVE NOTED THAT ESTABLISHMENT FIGURES SEEM TO BE WAITING AROUND FOR SHAH TO "GIVE THE NOD" TO SOME GROUP OR GROUPS TO BEGIN OPERATING ON HIS BEHALF WITHIN POLITICAL ARENA. EFFECT OF THIS "WAITING FOR GODOT" ATTITUDE IS THAT MYRIAD OF NEW POLITICAL PARTIES LACK IMPACT. VIRTUALLY EVERYONE, ESPECIALLY VAST MAJORITY OF THOSE WHO MIGHT BE CONSIDERED PART OF POLITICAL CENTER, ARE LOOKING FOR LEADERSHIP, HOPEFULLY FROM THE THRONE. EVEN OPPOSITIONISTS FEEL THEY HAVE TO HAVE SOMETHING TO OPPOSE AND THEY SEE THIS AS SHAH AND HIS POLICIES, NOT GOVERNMENT. FOR BOTH SYMBOLIC AND PRACTICAL REASONS, SHAH'S FAILURE TO ACT DECISIVELY (IN FULFILLMENT OF PERSIAN STEREOTYPE), OR EVEN APPEAR ON TV AND ADDRESS HIS PEOPLE, HAS LED TO MORE QUESTIONING, LESS SECURE ATTITUDE AMONG VIRTUALLY ALL SECTORS OF PUBLIC OPINION.

9. EVEN IF ORDER IS RESTORED SHORTLY WITHOUT A MOVE TO MILITARY GOVERNMENT, MOST PERSIANS FEEL SHAH MUST DO BETTER TO SURVIVE. FOR FIRST TIME IN TWO DECADES SERIOUS COFFEE-HOUSE THOUGHT IS BEING GIVEN TO OTHER POSSIBILITIES. LACK

OF DIRECT ACTION THUS FAR BY THOSE WHO DO NOT OPPOSE SHAH AND BY MANY WHO DO GENERALLY REFLECTS ONE ASSUMPTION FROM PAST THAT REMAINS: THERE IS NO VIABLE ALTERNATIVE TO SHAH. FOR THIS REASON, EVEN MANY OPPOSITIONISTS THUS FAR REMAIN WILLING TO LIVE WITH HIM, ALBEIT AS THE LESSER OF EVILS. HOWEVER, THIS ASSUMPTION TOO IS COMING UNDER INCREASING CHALLENGE.

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